

Municipal 'Matrimony' Building Bridges Around the World

By Barry James
International Herald Tribune
PARIS — It would have been unthinkable half a century ago: The sky over the Paris suburb of Sevres crackling with fireworks to honor the visiting German burghers of Wolfenbüttel.

Town twinnings often reflect political trends. The visit by Erich Honecker, the East German leader, to his home village in West Germany last year has given impetus to several budding friendships between towns on either side of the German frontier. A score of formal matches have been established in the past couple of years and many more are under consideration.

Most Soviet twinning arrangements in Western Europe are with France and Italy, partly because these have numerically strong Communist parties, and with neighboring Finland. But nine So-

viet cities have twinned with localities in West Germany, and several other such matches are in the offing.

The fewer than 700 official inter-municipal relations between East and West, however, still make up a small proportion of the total links. Half of all twinnings are within Western Europe, and these are likely to take on greater significance as the European Community moves toward a single market in 1992.

France has more twinned localities than any other country, about 3,000 in all. Like Sevres, some 1,300 French municipalities and districts

have established formal links with the former enemy across the Rhine. The first such exchange was set up soon after World War II by the mayor of Ludwigsberg and his French counterpart in Montbéliard.

Some of the French-German arrangements are extremely active. Nancy and Karlsruhe, for example, exchange bankers, professionals, teachers, doctors, firemen and policemen and arrange sports and cultural events in each other's towns. Angoulême has friendly relations with half a dozen other municipalities, and an active twinning

committee involving about 700 people. Lyon has a twinning agreement with Córdoba, Argentina, to develop public transport.

Belgium is the world's most intensively twinned country, with 440 of its 489 municipalities having a partner in another country. Aalborg, Denmark's fourth-largest city, has links with a score of localities and organizes a quadrennial intermunicipal sports event that last year attracted some 1,500 amateur athletes.

A group in Paris, known in English as the United Towns Organization, acts as marriage broker and sometimes as marriage counselor for all these exchanges. It has a file of more than 300 towns seeking suitable matches with municipalities of similar size and interests. The organization tries to match towns according to cultural and trade interests. The matching is independent of politics, although political friendships often lead to twinning arrangements.

WORLD BRIEFS

Soviets Say U.S. Breaks Geneva Pact

NEW YORK (UPI) — Foreign Minister Eduard A. Shevardnadze said the Soviet Union accused the United States and Pakistan on Friday of violating the Geneva accords ending the Soviet presence in Afghanistan and warned that Soviet troops might soon be withdrawn.

Execution Bill for U.S. Drugs Killers

WASHINGTON (AP) — The Senate passed legislation on Friday, 69-29, that would permit the death penalty for drug dealers convicted of murder, rejecting pleas that the measure would be a move toward "reducing the civility" of society.

2 Less-Deadly AIDS Viruses Found

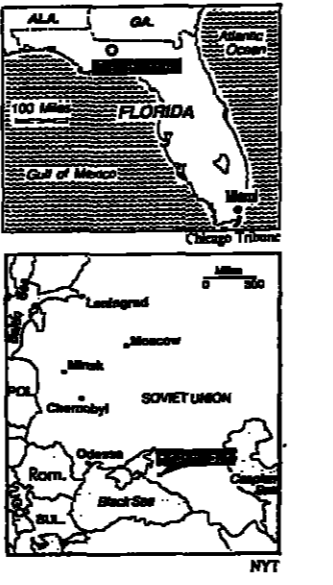
NEW YORK (NYT) — Researchers have isolated two variants of African AIDS virus that are less deadly to immune-system cells than the AIDS viruses. Scientists hope the variants will offer clues to why the AIDS viruses are so able to cause disease.

How Tallahassee Met Krasnodar

International Herald Tribune
Back in 1983, when a U.S.-Soviet summit meeting was an unlikely prospect, a dozen citizens from Tallahassee, Florida, went privately to Krasnodar in the Soviet Union to set up some people-to-people contacts.

"We asked what the average citizen could do to ease tensions," said Bob Broedel, an electronics engineer at the University of Florida, "and we thought the sister-city concept was one answer to that question."

The relationship "has become well accepted both there and in this particular American city," Mr. Broedel said.



In Apparent Thaw, U.K. Has Freed Iranian Jailed in 1981 for Explosion

Compiled by Our Staff From Dispatches
LONDON — An Iranian man serving a 12-year prison sentence in connection with an explosion at a London hotel has been released early and deported, according to the Home Office.

settlement will cost Britain almost \$1 million (\$1.8 million).

A Foreign Office spokesman said Britain would pay Iran \$1.8 million and Iran would give Britain \$900,000.

The British Embassy in Tehran was damaged by rioting in 1978 and 1979. British Council property is also involved.

Iran's mission in London was damaged by fire in 1980 when British commandos stormed it to free diplomats held by opponents of Ayatollah Ruhollah Khomeini, the Iranian leader.

On Thursday, the Home Office spokesman denied a suggestion that the release of Mr. Nooripur was timed to coincide with the negotiations over compensation claims.

"Any sort of rumor that this is to coincide with the visit of the Iranian negotiating team, or for any deal regarding hostages or international relations, is totally without foundation," she said.

France Elects Parliament — Second Round



NATO Members Agree to Maintain Level of Spending on Armed Forces

By Robert Pear
New York Times Service
MADRID — Members of the North Atlantic Treaty Organization agreed Friday on the need to keep up the level of their military spending even as they welcomed the relaxation of tensions between the United States and the Soviet Union.

Lord Carrington, the secretary-general of the Atlantic alliance, said that the policies of Mikhail S. Gorbachev, the Soviet leader, had not curbed the Kremlin's military growth and that the West must pursue arms negotiations from a position of strength.

Lord Carrington said members of the alliance had agreed in a two-day meeting that they must not do anything that would in any way diminish resources spent on defense. He said there was "general agreement on the need to keep up the level of our defense expenditures in spite of the fact that there is a very welcome reduction in tensions between Washington and Moscow."

As he ended a conference in Madrid of foreign ministers from the 16 countries of the Atlantic alliance, Lord Carrington expressed satisfaction that the East-West dialogue was getting broader and deeper.

But he said, "Whatever else may have changed in the Soviet Union, the military machine is still, so far, operating at exactly the same level as it was in the days before perestroika and glasnost," the Soviet policies of restructuring the economy and making the Soviet Union more open.

Lord Carrington warned that negotiations and arms controls efforts pursued from positions of weakness "are never going to be in our security interest."

The NATO ministers met in Madrid a week after the end of the summit meeting in Moscow, where Mr. Gorbachev and President Ronald Reagan completed work on a treaty banning ground-based medium-range nuclear missiles in Europe. They also reaffirmed their desire to make substantial cuts in arsenals of long-range nuclear missiles.

U.S. officials said the members of the Atlantic alliance welcomed the recent relaxation of tensions, but appreciated the need to maintain a strong defense.

"Everyone is alert to the dangers of euphoria," a U.S. official said. "Everyone is alert to the fact that military dispositions in Warsaw Pact countries have not changed."

Lord Carrington, a former foreign secretary of Britain, will step down as secretary-general of NATO at the end of June. He will be succeeded by Manfred Wörner,

who was until recently the defense minister of West Germany.

The NATO ministers discussed the question of whether European countries and Canada were paying an adequate proportion of the costs for the common defense of alliance members. Military spending by the United States exceeds that of all other NATO members put together, and many members of Congress have called for higher defense spending by European countries.

Asked about this issue at a news conference on Friday, Secretary of State George P. Shultz said, "I am not satisfied that anybody is pulling their weight satisfactorily."

He added that alliance members "have to jack each other up to keep military spending at adequate levels."

Mr. Shultz said improvements in U.S.-Soviet relations did not justify a reduction in military outlays.

"The strength that has produced deterrents, along with the effort to negotiate, seems to be working, so let's stick with it," he said.

Lord Carrington said European countries felt the United States did not fully understand what Europe was doing to help defend the West against possible aggression by the Soviet Union. For example, he said, Norwegian officials make a contribution by pursuing policies that prevent the depopulation of northern Norway.

Noriega Aides Are Barred From U.S.

WASHINGTON (Reuters) — President Ronald Reagan ordered Friday that Panamanian officials linked to General Manuel Antonio Noriega and President Manuel Solis Palma be barred indefinitely from entering the United States.

"I have determined that it is in the interests of the United States to restrict the entrance into the United States as immigrants or as immigrants of certain persons who formulate or implement the policies of Manuel Antonio Noriega and Manuel Solis Palma," Mr. Reagan said in a statement.

The move marked another step in the months-long U.S. effort to force General Noriega, Panama's military ruler, from power.

Palestinian Factions Battle in Beirut

BEIRUT (UPI) — Fierce clashes erupted between rival Palestinian factions in two southern Beirut refugee camps, killing at least six persons and wounding 13, police and Palestinian sources said on Friday.

Palestinian sources said followers of the Palestine Liberation Organization chairman, Yasser Arafat, and dissidents loyal to the pro-Syrian leader, Sayed Musa, fought for 10 hours on Thursday with machine gun rocket-propelled grenades and mortars in the Burj al-Brajneh and Chis camps.

A cease-fire arranged by other Palestinian factions took hold at sun on Friday, the sources said, but machine-gun fire could still be heard around the camps, where similar clashes occurred in May.

Khamenei Rules Out Forces' Merger

NICOSIA (AP) — President Ali Khamenei of Iran said Friday that regular army will not be merged with the Revolutionary Guards, the Islamic Republic News Agency reported.

Mr. Khamenei said speculation that the two military forces would be unified was "poisonous propaganda by the imperialist mass media." Khamenei, chairman of the Supreme Defense Council, which directs Iran's strategy in the war against Iraq, said all Iranian leaders agreed the army and the Revolutionary Guards must remain separate organizations.

But he confirmed that some military facilities, such as supply and logistics centers, will be abandoned to avoid wasteful duplication. Speculation of a merger was triggered June 2, when Ayatollah Ruhollah Khomeini appointed Hashemi Rafsanjani, speaker of the Iranian parliament, as acting commander-in-chief of the armed forces.

For the Record

Two Soviet astronauts aboard the orbiting Mir space station received their first visitors in six months on Thursday with the arrival of a Soyuz-TM-5 spacecraft carrying a three-man team that will stay a week.

The Soviet Union and East Germany will establish diplomatic relations with the European Community, the EC foreign affairs commissioner, Willy De Clercq, said Friday.

TRAVEL UPDATE

Spanish railroad workers went on strike in Madrid and four other provinces on Friday to protest job cuts, while gas station attendants, who are seeking pay raises, launched a two-day stoppage nationwide.

Air links between the United States and Soviet Siberia will reopen Monday after 40 years between Nome, Alaska, and Provideniya, Siberia, said Frank H. Murkowski, Republican of Alaska, said on Friday at the United Nations in New York.

The airline of the African kingdom of Lesotho began on Thursday weekly flight to the Seychelles in a move apparently calculated to lure South African tourists back to the resort island. Direct air links with South Africa were cut after the failed mercenary invasion of the Seychelles, which was launched from South Africa in November 1981.

The English Channel ferry operator Sealink introduced a huge ferry on its route between Dover and Calais on Friday. In an development, the Pride of Dover, a ferry operated by P&O European Ferries, returned to England on Friday after being immobilized for 12 days in the Netherlands by a seamen's strike.

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Slovenia Leadership Clashes With Army

By Jackson Diehl
Washington Post Service
LJUBLJANA, Yugoslavia — The liberal leadership of Yugoslavia's republic of Slovenia, widely regarded as the vanguard of political reform in the Communist world, appears to be facing a severe challenge from hard-line military leaders following the arrest of two dissident journalists.

The jailing of the journalists under military court charges last week broke open what had been a simmering dispute between Slovenia's branch of the ruling League of Communists and chiefs of Yugoslavia's national army over the Slovene party's tolerance of an outspoken dissident press.

The journalists, Ivan Jansa and David Tasic, are prominent among a number of young Slovene journalists who have recently published hard-hitting attacks on the military. Charged with handling confidential army documents, they have been held incommunicado, and military officials have refused to supply information on their cases.

The arrests have sparked an uproar among Slovenia's liberal press and well-organized student and social organizations, who contend that the detentions were staged to silence criticism of the military in

introducing more freedoms and democratic procedures into its one-party political system.

Called by party leaders "the Slovene Spring," in reference to the 1968 Prague Spring reforms of Czechoslovakia, the process of change in this prosperous enclave of 1.5 million people has drawn the interest of Communist reformers around the world, including the Soviet leader, Mikhail S. Gorbachev, who visited Ljubljana in March.

Although granted a high degree of autonomy under Yugoslavia's federal system, the Slovene leadership has occasionally faced strong objections to its reforms from the leaders of Yugoslavia's seven other republics and autonomous provinces. Many of the complaints have focused on the lively Slovene press, which, led by the youth weekly Mladina, regularly prints attacks on the political leadership.

In recent months, antagonism against Slovenia has appeared to have concentrated in the Military Council, the senior body of the armed forces. Military chiefs have been outraged by reports in Mladina and other journals on such topics as the military's arms exports to the Third World and alleged corruption involving former defense minister, Admiral Branko

Mamula, whom Mladina labeled a "merchant of death."

In March, party officials in Ljubljana said, the Military Council prepared a report on the situation in Slovenia, alleging that a "special war" was being carried out against the military in the press and that a "counterrevolution" was in progress.

At the same time, reports by Mladina and other journals have said the military was planning a major crackdown in Slovenia. A reported transcript of the national party meeting, which Mladina was banned by censors from publishing, quoted the Slovene leader, Milan Kucan, as saying a military official had approached Slovenia's civilian prosecutor to report that a number of political arrests were planned and that the army was prepared to quell any resulting demonstrations.

Because last week's arrests came about 10 days after reports of the purported intervention began appearing, the cases have been interpreted by many Slovenes as the beginning of a broader army operation against the republic.

Mladina's editor has suggested that the documents for which Mr. Jansa and Mr. Tasic were arrested were planted by the military.

On Wednesday, East German officials said the country was prepared to give "humanitarian aid" to Jewish survivors of the Holocaust living outside its borders.

Mr. Whitehead said the amount of the payments "is currently being discussed."

The agreement to offer assistance to Holocaust survivors is a reversal of a longstanding German policy. East German officials have previously argued that their nation, formed in 1949, bore no responsibility for Hitler's actions. West Germany has paid more than 80 billion marks (\$5 billion) to Holocaust survivors.



كوكا كولا

Bush Mocks Dukakis on Foreign Policy

By Maureen Dowd
New York Times Service

HOUSTON — Vice President George Bush, in a speech opening the campaign against his general election opponent, has mocked the foreign policy views of Governor Michael S. Dukakis as "born in Harvard Yard's booziness."

He labeled his rival's stance on crime as "standard old-style '60s liberalism."

In the speech Thursday at the Texas Republican Convention, Mr. Bush said the 1988 campaign had become "the defining time."

He said he would spend the rest of the summer and autumn outlining a factual comparison between himself and Mr. Dukakis, who is almost certain to be the Democratic presidential nominee, on political and personal values.

"What it all comes down to is two different visions," Mr. Bush told the 5,000 delegates to the state convention.

The cheering, whistling, foot-stomping audience seemed eager to hear a dour speech. Mr. Bush, who won enough delegates to win the Republican presidential nomination in March, planned them when he defeated his opponent as "an articulate defender of a flawed world view."

He called the Massachusetts governor "a man who holds strong convictions and who speaks in moderate tones," but said that "his views and values are too often, in my judgment, out of the mainstream."

Fighting back against those who say his upper-class background will alienate voters, Mr. Bush portrayed Mr. Dukakis as the elitist.

"When I wanted to learn the ways of the world," he said, "I didn't go to the Kennedy School. I came to Texas, in 1948. I didn't go to a symposium on job creation; I started a business. I didn't study a monograph on the effects of economic growth; I met a payroll."

Talking about Mr. Dukakis's suggested cuts in military spending and his suggestions that the United Nations could be more involved in foreign disputes, Mr. Bush charged that his rival's "foreign policy views, born in Harvard Yard's booziness, would cut the muscle of our defense."

Mr. Bush was referring to Mr. Dukakis's ties to the Kennedy School of Government at Harvard University, where he spent much of his four years out of college between 1978 and 1982.

"Governor Dukakis," Mr. Bush said, "would seriously consider withdrawing U.S. troops from Korea because of its human rights failures, but he opposes helping freedom fighters in Nicaragua."

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Dukakis on crime is standard old-style '60s liberalism."

"Decisions come from a world view, world view comes from experience," he added. "My experience is that there are actually some people in the world who are really bad."

The Dukakis campaign dismissed the attack.

"The difference between Michael Dukakis and George Bush is that Michael Dukakis has a record of cutting taxes, creating jobs, cutting crime," said Leslie Dach, director of communications for the Dukakis campaign. "George Bush doesn't. The American people aren't interested in mindboggling."

In a news conference before his speech, the vice president said he would beate his rival for the problems of Democrats just as Mr. Dukakis has tried to associate him with critics of the Reagan administration.

Asked how he would use allegations of unethical conduct by the speaker of the House of Representatives, Jim Wright of Texas, to attack Mr. Dukakis, Mr. Bush shot back: "The same way he tries to make himself look like a hero."

When he was asked whether his campaign had been too cautious up to now, Mr. Bush said: "We have a lot of zip. We're going to stay on the plan" drawn up by "members of the collegium."

Mix-Up During Interview

Mr. Bush engaged Ted Koppel, anchorman of the ABC television program "Nightline," in a combative debate for an hour, but the vice president's mind apparently was on his confrontation in January with the CBS network's Dan Rather. The Associated Press reported from Houston.

Several times during the "Nightline" interview Thursday night Mr. Bush called Mr. Koppel "Dan." Mr. Koppel kept reminding Mr. Bush that his name was Ted.

Mr. Koppel spent several minutes grilling Mr. Bush about his knowledge of the clandestine sale of U.S. arms to Iran, just as Mr. Rather did in January.

Mr. Bush challenged Mr. Koppel's line of questioning, saying at one point, "There's a fatal flaw in your analysis" of the impact of the Iran affair on his presidential prospects.

Mr. Koppel, in Washington, interviewed Mr. Bush in Houston, live by satellite. At one point when Mr. Bush called Mr. Koppel "Dan," the newsmen said: "Try calling me Peter or Tom or..."

"Did I do it again?" Mr. Bush said. "Hey, listen, it's Freudian. I am not trying to be clever. I promise you it's Freudian."

"Next time, call me Barbara," Mr. Koppel said.

Dukakis Stand On Jerusalem 'Shocks' Shultz

Agence France-Press

NEW YORK — Secretary of State George P. Shultz said Friday that suggestions by the likely Democratic presidential candidate, Governor Michael S. Dukakis, that he would consider moving the U.S. Embassy in Israel from Tel Aviv to Jerusalem, were "shocking."

Speaking from Madrid, where he was attending a meeting of North Atlantic Treaty Organization countries, Mr. Shultz told the NBC television network: "It's shocking that anybody would make such a proposal."

The U.S. position is that East Jerusalem, the West Bank and Gaza Strip and the Golan Heights are "regarded as occupied territories" whose future must be "subject to negotiation," Mr. Shultz said.

"I have no doubt that the Israeli capital will stay there, that Jerusalem will remain a unified city," he said, "but you don't want to wind up in effect declaring an outcome that hasn't been agreed to."

In Thursday's session, the con-

Nicaragua Truce Is Extended

By Stephen Kinzer
New York Times Service

MANAGUA — The latest round of peace talks between the Sandinistas and contra guerrilla leaders has ended with mutual acccessions, but also with an agreement not to resume fighting.

Before leaving Managua on Thursday, the rebel negotiators said they were willing to resume talks but had set no date. They also said they would continue to observe the cease-fire that has been in effect since March.

"The Nicaraguan resistance will not begin offensive military operations," they said in a communiqué read by Alfredo Cesar, their senior negotiator.

In the communiqué, the contras expressed "our commitment to achieve solutions to the political problems that afflict our country by the civilized route of political negotiations."

"They decided to continue the cease-fire," said Donald Casey, a spokesman for Sandinista negotiators. "They're going to have another meeting, but no date has been set."

Only hours earlier, the talks, which began on Tuesday, had appeared on the verge of collapse as the two sides denounced each other's proposals for disarmament and a political settlement as unacceptable.

In Thursday's session, the con-

tras demanded more sweeping political changes than they had ever sought, and the Sandinistas rejected these proposals as outlandish. Instead, they offered to discuss more limited concessions, but the contras described these as inadequate.

In addition, the Sandinistas were seeking a commitment that the contras would disarm without a guarantee of the political changes that the contras sought.

During the afternoon, Defense Minister Humberto Ortega Saavedra, the government's principal negotiator, asserted that the contra negotiators had adopted an "obstructionist, warlike position of sabotage" and wanted the talks to fail so they could seek military aid from the United States Congress.

Mr. Cesar said that when he asked government officials for guarantees that political changes would be in place before contra fighters surrendered their arms, "they replied that they cannot do that."

Iran-Contra Figure Denied
Felix Rodriguez, the on-the-ground manager for Lieutenant Colonel Oliver L. North's secret operation to resupply the Nicaraguan rebels, appeared on Capitol Hill on Friday to deny allegations he solicited \$10 million in drug money for the rebels, United Press International reported.

Mr. Rodriguez, a former Central

Intelligence Agency officer with ties to Vice President George Bush, circulated a notarized statement at a news conference to "dispel notions that I am in any way any time in my life, involved with drug money-laundering operations, either to obtain funds for assisting the Nicaraguan freedom fighters or personal gain."

Ramon Milian Rodriguez, a convicted money launderer, has alleged that Mr. Rodriguez solicited money in early 1985 from Colombia's so-called Medellin cocaine cartel.

The charges surfaced during a two-year Senate Foreign Relations subcommittee investigation.

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AMERICAN TOPICS

When a Diplomat Is Persona Non Grata

When Singapore and Saudi Arabia declared two U.S. diplomats persona non grata and expelled them after they had met with opposition or controversial figures, the U.S. State Department said the two officers were merely doing their duty in accordance with "customary diplomatic practices."

Officials told The Washington Post that as a rule, U.S. ambassadors usually deal with the highest echelon of host governments, such as presidents, prime ministers and cabinet ministers; lower-ranking diplomats are responsible for the widely varying contacts, including those with the opposition, that an embassy normally maintains.

But officials said there was no hard and fast rule about who in a U.S. embassy talks to the local opposition or other controversial figures. Indeed, in some countries, like the Soviet Union, South Africa, Chile and Paraguay, the ambassador is specifically instructed to seek out and meet with dissidents or the opposition to make a diplomatic point.

The officials also noted that President Ronald Reagan met with Soviet dissidents and refugees at the U.S. Embassy in Moscow during the recent summit meeting there. The Soviets, though, visibly unhappy about this, accepted it.

Short Takes

Seven years after George Washington Ferris introduced his 230-foot (75-meter) wheel at the Chicago World's Fair of 1893, William E. Sullivan founded a factory to make portable Ferris wheels one-fifth that high in Jacksonville, Illinois. He named it the Eli Bridge Co. to instill confidence among investors, though the company has yet to build a bridge. But over the years it has shipped more than 1,400 Ferris wheels to carnivals, amusement parks, and it is still going strong. The current trailer-mounted model costs \$107,000. Lee Sullivan Jr., head of the company and grandson of the founder, says he views such wisecracks as "your business sure must have its ups and downs" as an occupational hazard.

A U.S. District Court judge has settled a name dispute between The National Geographic Society, whose quarterly "Traveler" has been published since 1984, and Condé Nast Publications,



Lee Sullivan Jr., left, and his son Bill with their product at their Ferris wheel production plant in Jacksonville, Illinois.

whose monthly "Traveler" appeared in 1987. Judge Thomas Griss ruled that both can continue to use the name "Traveler" but that Condé Nast must redesign its cover so that the name Condé Nast appears in substantially larger type than before and the possessive "Condé Nast's" is changed to the adjectival "Condé Nast's."

Shorter Takes: Since territorial days, Alaska's dangerous criminals have been shipped to federal prisons in the lower 48 states. No longer. The state's first maximum-security prison, to house 412 inmates at a cost of \$48 million, opened this month near Seward. • The elegant St. Regis Hotel in New York has closed for at least a year for replacement of pipes, wiring and plaster dating back to its opening 84 years ago. Meanwhile, one of the two co-owners, Sheraton Corp. and Equitable Life, may

buy the other out or the two may sell to a third party, a spokesman said.

The New York Times notes that for several months a television commercial for Dunkin' Donuts has boasted of its products' freshness compared with other doughnuts that have been "laying all night." Said the Times: "Alert listeners were puzzled. Either Dunkin' Donuts was talking about pastry that produces eggs, or the copywriters had a little problem with the difference between 'lie' and 'lay.'" The Times said that after receiving letters and phone calls from listeners concerned about "what's left of the English language," Dunkin' Donuts will re-record its advertisement to correct its grammar: "lying" will replace "laying."

Arthur Higbee

Restaurateurs Call In Teen Squad To Rid N.Y. Street of Cocaine Crowd

By Fox Butterfield
New York Times Service

NEW YORK — A group of proprietors on "Restaurant Row" here, distressed over a decline in business that they blame on a surge in the cocaine trade and inadequate police protection, has recruited the Guardian Angels to patrol their neighborhood.

The owners of the restaurants along 46th Street between Eighth and Ninth Avenues have provided a closed restaurant to house the 30 Guardian Angels who will patrol the area and have promised to feed them from their kitchens.

The Guardian Angels are a volunteer group of teen-agers, mostly black and Hispanic, who patrol neighborhoods and the subway system. Since their founding in 1979, they have aroused strong feelings, some of praise, some of doubt about their tactics. In New York City, they have an estimated 450 members.

In the first 24 hours after the Guardian Angels began operations Wednesday out of the former Cafe de France on West 46th Street, they said to have helped the police

arrest two drug dealers. They also have chased off a dozen persons smoking crack or talking with prostitutes, the Angels and businessmen said Thursday.

"They're not even fully operational yet, but you can feel the difference," said Joe Allen, the owner of the restaurant of the same name on Restaurant Row. "People are smiling again, old people are coming out of their homes without feeling in danger and the tourists can cross Eighth Avenue without fear."

The enlistment of the Guardian Angels comes at a time of rising concern among law-enforcement officials that cocaine use has so strained the police and undermined public faith in the criminal justice system that the United States are increasingly turning to community patrols and possible vigilantes to maintain control of their streets.

Mr. Allen stressed that the Guardian Angels were not being paid any money for their services and were being given only subsistence remuneration. This includes the former restaurant, as a place to

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INTERNATIONAL HERALD TRIBUNE

START Can Be Finished

Conventional wisdom now holds that it is too difficult to resolve the remaining issues in the Strategic Arms Reduction Talks...

Space-Based Defenses. Mr. Reagan wants Soviet agreement to conduct "star wars" tests that Moscow believes would violate the ABM Treaty...

Unless the president moves quickly, however, he risks more than delay. The treaty's prospects could mean unmet political goals...

Sea-Launched Cruise Missiles. Longer-range ground-launched cruise missiles have been banned by the new Euro-missile treaty...

The second reason is that neither Mr. Bush nor Mr. Dukakis knows the subject well. Mr. Bush's answers at news conferences are often misinformed...

Mobile Ballistic Missiles. These have been an American idea to enhance the survivability of land-based forces...

By contrast, the Reagan team is in a strong position to finish START. Secretary of State George Shultz, Paul Nitze, the senior arms control adviser...

Verification. The two sides have already agreed to dramatic provisions for on-site inspections. Details can be worked out without becoming obsessive...

For a Second Trade Bill

With the Senate vote to sustain President Reagan's veto, the U.S. trade bill is sunk, or at least the bill's first version...

That is a fairly good case. But there is a better case for reviving the bill and sending it back to Mr. Reagan...

There is a fairly good case, supported by both the purest and the least pure of motives, for the Democrats to abandon the bill until another year...

Mr. Reagan's veto preserves the plant-closing requirement as a legitimate issue in any case. But it is questionable that the voters harbor any great resentment of foreign competition...

It's Unfair to Be So Fair

Tim Smith is a candidate for an open seat on the board of supervisors in Sonoma County, California. Last week, at the height of the campaign...

This week California voters approved two ballot initiatives on spending. Given the state's history as a trend-setter, it may not be idle to envision the day when the Federal Election Commission will have special subsections to measure chin angles and depth dimples...

It seemed that his regular features were appearing all over the county on campaign posters (neither of his two male opponents used pictures on their posters)...

Whether it will hinder Mr. Smith remains to be seen. In the week after the demonstration against him, the former congressional aide moved from third place to first and ended up getting 42 percent of the vote on Tuesday...

Other Comment

Aquino and the Peasants

A contented landholding peasantry is regarded as one of the best bulwarks against revolution. In the Philippines, land reform has been seen as Mrs. Aquino's potentially most effective weapon in her battle against Communist insurgency...

rural discontent and, perhaps, encourage the return of the [pro-reform] Peasants Movement to a position of broad support for President Aquino. Already, she has been accused of overensitivity to the interests of the landowners...

OPINION This Time the French Voters May Be Heard

By William Pfaff

PARIS — There is an old story about the Tennessee mule-skinner who began each day's work by clubbing his mules between the ears with an axe-handle...

This brightened ideological spirits on the militant wing of the Socialist Party, which saw the possibility of a Socialist landslide in the parliamentary elections that began last Sunday and finish this Sunday...

They want problem solvers, not ideologues, and they want to be governed from the center.

did not want a Socialist parliamentary victory so big as to encourage still more temperate lawmaking. Wearily — with one-third of the electorate abstaining, a record — the public went out and gave Mr. Mitterrand what he wanted...

ogy cannot adequately describe the social change that has taken place across the modern industrial and post-industrial societies. Clashes of economic, social and regional interest still exist, but the common interest in containing and arbitrating these conflicts is generally understood...

It is not a zero-sum game. Intelligent modern politicians do not campaign on a platform of destroying another party, class or interest...

Parties in modern society are themselves coalitions of interest. This is true of the two big West German parties and of the Christian Democrats and Communists in Italy. It certainly is true of Democrats and Republicans in the United States...

The future belongs to political leaders who understand that the public wants disinterested competence in government. It wants problems solved. It wants society's conflicts reconciled or arbitrated, not exploited...

Is Dukakis A Guy Who Can Say No?

By David S. Broder

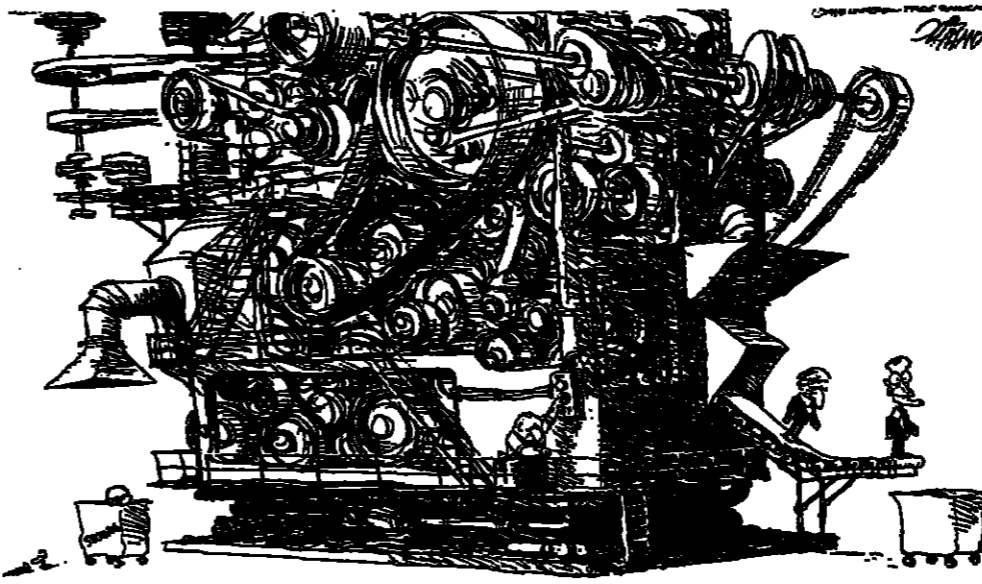
WASHINGTON — For years the Democratic Party has labored under the handicap of being known as the Ado Annie of U.S. politics. She is the character in the Rodgers and Hammerstein musical "Oklahoma" who sings of herself, "I'm just a gal who can't say no."

The inability of the Democrats to say no to wonderful-sounding, extravagant schemes is probably the biggest reason they have lost four of the five presidential races since Lyndon Johnson left the White House.

In a long political career, Mr. Johnson made a high art of public beneficence. From the gift of government-subsidized electricity to Texas neighbors early in his career to Medicare and Model Cities in the Great Society period...

Appreciative as they were, the voters have decided in every presidential election but one since 1968 that enough is enough. Though they regularly tell pollsters they think the Democrats are more sympathetic to working people and have given those Democrats a near-permanent lease on Congress...

This is an instinctive, extrarational addition to the many other "checks and balances" in the U.S. system of government. It is a psychological comfort to a citizenry



The Amazing Primary Machine

that covets the public-financed programs Democrats struggle but has been burned badly by inflation the last two times the Democrats had the keys to both the White House and Congress in their hands.

This penchant for divided government is a potential advantage for George Bush in November. Everyone knows the Democrats are likely to control both houses of Congress in January. To vote for Michael Dukakis, the voters will have to take a gamble they have not been ready to take since 1976...

But of late, the Democrats have been doing some things that may permit them to reduce the Ado Annie hazard. It was a rather remarkable moment when the House last week defeated a measure sponsored by Claude Pepper of Florida, the venerable 87-year-old advocate for the elderly to make home-care treatment of Medicare beneficiaries.

True, there were special circumstances. Mr. Pepper, a Democrat, had bypassed two powerful Democratic committee chairmen in bringing the bill directly to the floor, stirring a nasty jurisdictional fight...

size of the problem, helped discipline spending and raise needed revenues. It was not an Ado Annie deal the Democrats struck.

All this may benefit Mr. Dukakis, who has resisted making extravagant commitments to Democratic constituencies. He has avoided the "special interests" label that plagued Walter Mondale in 1984 and has secured the votes needed for nomination without paying off a lot of claimants.

But the tough test comes in the period just before and during the party convention. Platform planks become pacifiers for losing candidates and sensitive constituencies. The inclination to "take care of" folks so they won't mar the picture that television viewers get of the convention is powerful.

Mr. Dukakis has shown he can say no. It remains to be seen if he can keep saying it. As Ado Annie sings, "As soon as I sit on their laps, something inside of me snaps."

The Voices of Santiago Say Anything Could Happen

By Larry McMurtry

SANTIAGO — Across the street from the Hotel Carrera there's the thunder of percussion; they're changing the guard in front of the presidential palace. The air is soft, the sunlight fine, and a crowd soon gathers to listen to the band.

By far the liveliest element in this assembly are the tiny, wonderful Chilean children, all of them possessing total chic. Rarely more than a foot high, they are nonetheless capable of brilliant dashes that confound whatever authority is mustered against them.

Repressive actions are not far from the spectators' minds this morning. Though nothing that could be called a demonstration is occurring, demonstrations are expected; extremists (the label favored by the conservative daily El Mercurio) may pour into the plaza, followed by tear gas and water cannons...

in order to concentrate on a complex of pleasures: children, family, friendship, the beauties of nature and, certainly not least, the beauties of mood.

What I was observing was the brilliant television work showing up General Pinochet's lackluster oratory. He achieves sonority at some cost to liveliness; his piercing blue eyes are rarely lifted from the text, but this is compensated for by some well-paced split-screening...

For now the future of Chile is in play; the plebiscite is pending. Not only in Santiago but in not-too-distant Buenos Aires and Montevideo, two capitals slightly surprised to find themselves enjoying stable democracies, the talk is all of the plebiscite; How President Augusto Pinochet will time it, and whether he will survive it.

In the Plaza de la Constitución no extremists appear; the band marches off, pursued by some marathoners. I retreat to my room and devote most of a splendid autumn day to watching General Pinochet make a speech, which he delivers in seigneurial calm from the coastal city of Iquique.

Also, I hung in because I wanted a closer look at Maria Lucia Pinochet, which I got eventually. As an analogue to her, Lady Macbeth had been mentioned to me more than once.

It is hard to find a cynic in Chile. The people are remarkably healthy, lively, forward-looking and fair-minded; they give the president his precise due and weigh his failings just as precisely. To some degree they have acquired the Italian skill of ignoring their government as much as possible

time to triumph? Will the president resort to constitutional gamesmanship? Will he pop the plebiscite quickly, or time it for the Chilean spring in hopes that people will be more interested in smelling the flowers? (In theory, he must hold it by Dec. 12.)

The opposition dialogue is constant, fluent and invigorating. It is in the papers and on TV; it has broken its dam and will not be easily checked again. Ricardo Lago, a Socialist who now heads the PPD coalition, stunned the nation by challenging General Pinochet publicly to live up to his promises, particularly the one about not running again.

That evening I dined with two who are living with the Menace: Carla Cristy, an established and popular actress, and her husband, Luis Poirot, a fine photographer who recently has devoted himself to an extensive memorial to the poet Pablo Neruda.

Last year Miss Cristy did a two-character play called "Traveling Light," about a woman who has been tortured and driven into exile. It had an impact; people spoke of it as a Chilean "Official Story."

Miss Cristy, like most Chilean actors, was accustomed to working in soap operas during the day and doing theater gratis at night. The first sign of the Menace was blacklisting. Suddenly she could get no work.

Then the Menace picked up the phone. On the first day of threats she received 14 calls, in two voices. The first was that of a woman who had been tortured and driven into exile. It had an impact; people spoke of it as a Chilean "Official Story."

Listening to the opposition, one is reminded of an orchestra tuning up. Some of the musicians have never played together; many melodies overlap; they have not yet become one music. But the general is no Mozart. The opposition is very con brio at the moment, and it may set the tempo.

The writer, who won a Pulitzer Prize in 1986 for his novel "Lonesome Dove," contributed this comment to The Washington Post.

100, 75 AND 50 YEARS AGO 1888: Egypt's 'Dry Nurse' LONDON — The Morning Post commenting on the Egyptian situation, observes: "At present it seems that we are reduced to carrying out the work of planting our own civilization in Egypt through the agency of Orientals who will gladly uproot every trace of it so soon as the promised day shall come for the departure of the English garrison."

1913: A Daring Flight PARIS — Mr. Brindejone des Moulins, the young French aviator, acquired world-wide fame yesterday [June 9] by beating all aviation records for distance and speed in traversing France, Germany and part of

Russian Poland to Warsaw, in a daring attempt to fly from Paris to Petersburg. Only twenty-one years ago, the intrepid aviator has accomplished the most remarkable flight in the history of aviation.

1938: 'I Am the Law' NEWARK, New Jersey — Mayor Frank Hague of Jersey City, stepped into the national limelight declaring, "I am the law," and putting it by having his police run radical speakers across the city limits today [June 10] gave his definition of what he considers a Communist: "A Communist," said the Mayor, "is a man who is subject to Russian radical opposition to American principles and institutions, whose sole purpose is opposed to all types of religion and government." He went on to set forth his attitude on radicals which has made him a target for liberal criticism throughout the nation. He upheld his right to bar meeting his city to "un-American" groups.

Haiti: Peace But With Bated Breath

By Jonathan Power

PORT-AU-PRINCE, Haiti — This city still looks as it did at a time of the phony election in January. The same whirlwind of activity on every sidewalk — vendors, criers, ironmiths — a cacophony of bustling noise amid the conflicts of burning charcoal and the open sewers; women, with an African swing, carrying great basins on their heads; scribes sitting under the trees, poised with ancient creaky typewriters; children pouring out school gates in their French-suit uniforms. Primitive buses, smut with passengers, are parked like hazy wrapping paper, each bearing a message: "Dieu est Bon" or "C'est la fin de Dieu." In the early evening children line up at the public taps to fill plastic buckets.

And in the middle of all this is a solid form of the cathedral, with yellow walls and twin cupola, center of the agitation that led to the fall of Jean-Claude Duvalier, "Baby Doc," a short two and a half years ago. And there is the magnificent of the presidential palace — the extravaganza of Franck Duvalier, "Papa Doc," a man white against the green hills rise around the city.

But Port-au-Prince has changed profoundly. No longer at night of the huge neon sign outside the pale flash a message about the late Franck Duvalier being "the Haitian's one and indivisible."

The younger Duvalier has fled France. The military men who followed him into power are no longer in political office. Occupying it is a long-time opponent of the Duvaliers who spent 20 years in exile.

It is safe again to walk the streets at night. The dreaded Tonton Macoute are nowhere to be seen. The streets are free. Yet there hovers both an uncertainty and an unease.

Marc Bazin was a leading contender in last year's presidential election he dropped out after 34 people were murdered by Tonton Macoutes as soldiers as they stood in line at a polling station in November. He says, "They only have to click of fingers and the violence will return."

The army is still the power in the land, though for now it has taken back seat. It made Mr. Manigat president in a referendum election in June after all other credible candidates had pulled out. With less than a third of the electorate voting — some position members put the figure as low as 5 percent — Mr. Manigat, a popular mandate to fall back when challenged by the army.

The army boss, Lieutenant General Henri Namphy, is believed to be honest, but too many of his subordinates are deep into the contraband and drug trades. The cancer of corruption now centers on certain out-of-control figures, but it does not spread unless firm action is taken. But both Mr. Manigat and General Namphy have been slow to do anything, this is the one area where the press is pressured to censor.

What should the United States and France, Haiti's traditional trading partners and aid givers? All of them chilled their relationships with Haiti after the November killings. The United States suspended about \$60 million in aid — a quarter of the Haitian budget.

None of the Haitians I talked to were happy with the status quo, though they say it is immeasurably better than under the Duvaliers. They are prepared to tolerate this regime. The pressure of last year has knocked it wind out of their sails.

It would seem proper for the United States to continue its aid (although \$40 million is still being provided for humanitarian help) for Canada and France to keep at distance, at least until the government makes some commitment to democracy. It could, for example, plan honest elections for the Senate.

Yet as the aid moratorium continues, it is the Haitian poor who suffer most. The government, the bureaucracy and the army make sure that cuts fall on the weakest.

It is a situation that calls for an approach. Without foreign aid, Mr. Manigat's government cannot put its feet forward. Yet with the wrong kind of aid — especially military — the army will conclude that it has been let off the hook.

Humanitarian aid should be gradually increased so as to favor development projects in the village. After that, the West must keep fingers crossed and wait for Senate elections.

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Bishop

ADHAI

Norway Dispute

Handwritten signature or mark at the bottom of the page.

Haiti: Peasants But With Bated Breath

By Jonathan... Haiti: Peasants But With Bated Breath... The peasants of Haiti are waiting for the results of a referendum on the new constitution...

Italians Indict 8 in Art Case

'Leonardo' Deal Is Termed Illegal

By Souren Melikian... An Italian court has indicted eight persons in connection with the export of a drawing attributed to Leonardo da Vinci...



MILLENNIAL RITES — Raissa Gorbachev, wife of the Soviet leader, and the Soviet first deputy prime minister, Nikolai V. Talyzin, with Russian Orthodox Church officials and world religious leaders Friday at the Bolshoi Theater in Moscow for ceremonies marking 1,000 years of Christianity in what is now the Soviet Union.

Bishop in China Calls for Talks With Vatican

HONG KONG — A bishop in China's breakaway Catholic Church called Friday for the Vatican to settle differences with his church through negotiations...

GADHAFI: Libyan Leader Tells Peers to 'Go to Hell'

(Continued from Page 1)... Colonel Gadhafi swirled his chair to give the Moroccan his back. He managed to stun everyone again in a rambling speech that turned on the hurt he felt when Arab leaders failed to come to his support in 1986...

ROME: A New History

(Continued from Page 1)... About 3 meters (10 feet) below the poppies and dandelions that grow wild on the surface, and below centuries of constructions dating back through the Renaissance...

Norway and Israel Resolve Dispute Over Heavy Water

OSLO — Norway and Israel have resolved a dispute over heavy water sold by Oslo almost 30 years ago, but government sources said the compromise solution would not allow Norway to check whether it was used to make atomic weapons...

KOREA: Clashes in Seoul

(Continued from Page 1)... While the government is trying to accommodate public demands by broadening contacts with North Korea, it is wary of alarming the security-conscious military...

Israelis Holding Arab for Attempt To Kill a Mayor

JELAZOUN, Israeli-Occupied West Bank — Security forces arrested a Palestinian suspect of stabbing the Israeli-appointed mayor of a West Bank town and demolishing his cinderblock house Friday in the Jelazoun refugee camp...

Soviet Envoy, Expelled Once, Arrives in Egypt

CAIRO — A senior Soviet diplomat, once expelled from Egypt by presidential order, arrived in Cairo Friday as a special envoy from the Soviet leader, Mikhail S. Gorbachev...

Aquino's Land Reform Bill Viewed as 'Sham' by Farmers

By Keith B. Richburg... MANILA — President Corason C. Aquino signed into law Friday a new land redistribution program, but farmer groups rejected the bill as "a sham" saying it would fail to help the impoverished rural masses...

Pretoria Forbids Press From Quoting Outlaws

JOHANNESBURG — The government on Friday imposed regulations making it an offense to quote spokesmen of restricted anti-apartheid organizations and placed severe prohibitions on South Africa's largest trade union federation...

Japan Ponders Additional Aid

TOKYO — Japan, the world's largest donor of overseas economic aid, will expand its aid program to developing countries if the current level is not enough, Foreign Minister Sosuke Uno said Friday...

Five Blacks Are Hanged

Five black men sentenced to death for murder were hanged at dawn in the central prison in Pretoria on Friday, Agence France-Press reported from Pretoria.



A woman from the Black Sash, a civil rights group, protesting in Johannesburg after the announcement that the state of emergency, which expires Saturday, is to be extended by 12 months.

1938: 'I Am the Law'

NEWARK, N.J. — A woman who was arrested during a 1938 attempt to march on the White House, the woman who was arrested during the 1938 attempt to march on the White House...

Hong Kong Bill Offers Pardon Deal to Triads

HONG KONG — The Hong Kong government announced Friday that it will introduce a bill this month under which members of triad gangs will be given amnesty if they renounce membership in the secret criminal societies...

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Ayckbourn, Stage to Screen via Scarborough

By Michael Billington. LONDON — It is hard to imagine an odder cinematic alliance than that between Michael Winner and Alan Ayckbourn. Winner is a bluff, extrovert film director whose output includes the three blood-spattered "Death Wish" movies and whose definition of teamwork is "a lot of people doing what I say." Ayckbourn is a generally diffident dramatist and theater director who writes painful comedies and who once said he likes to lead from way behind. But Winner is currently filming Ayckbourn's 1985 hit play, "A Chorus of Disapproval," on its author's local patch — the Yorkshire seaside town of Scarborough (the birthplace of Charles Laughton), where Ayckbourn runs a thriving theater. What is more, despite a budget of \$3 million, he has enlisted a star cast headed by Jeremy Irons and Anthony Hopkins.

In the film, Irons plays Guy Jones, a shy widower who joins an amateur operatic society — a pivot of English social life — to make new friends. Surreptitiously, he climbs the company ladder to take over the role of the faithless highwayman MacHeath in "The Beggar's Opera." Events offstage match those on. Guy finds himself torn between the repressed wife of the show's overweening director (Anthony Hopkins) and a married swinger. His inside knowledge about a complex land deal also uncovers the greed of the local burghers. Guy, exhibiting the tyranny of the weak, is a classic example of the amiable nonentity who wreaks havoc both emotionally and socially. But turning Ayckbourn's comedy into a film is a hard task. For one thing, the play glides effortlessly between John Gay's opera and the real-life parallels. For another, Ayckbourn is a wholly

theatrical animal — with more than 30 plays to his credit — who has always protected his work like a lioness looking after her young. He recalls one American film executive flying to Scarborough in mid-winter in a small plane to lure him with Hollywood gold. The stumbling block, as always, was Ayckbourn's belief that his clinical dissection of English suburban manners could not be transposed to Miami or Dallas.

So how did Winner succeed where all other bidders failed? He explains: "First of all, I told Alan that I wanted to respect the material rather than turn it into a film about six swinging mums in a forest. I also persuaded him that the play was compressed on the stage and could benefit from being opened out. It's a bit like Gogol's "Government Inspector" in that a newcomer arrives in town and both exposes the local corruption and throws everyone's life into chaos. It is thoroughly English in its setting but universal in its application. You could find these people in any American town: the naive interloper, the inhibited wife, the young couple into sexual experiments. And although it uses a theatrical background, it could just as easily be taking place in a car or bowling club."

Winner commissioned a couple of writers to do trial screenplays. Both were turned down by Ayckbourn. Then Winner restructured the play himself and asked Ayckbourn to rewrite it.



Jeremy Irons, Prunella Scales in "Chorus of Disapproval" scene.

Winner recalls: "I said to Alan, 'Give me three weeks and we will go over it.' But Alan is booked up till 1990 and said he could give me three days. In fact, we agreed to meet on a Sunday. I turned up at his apartment at 9 o'clock in the morning, and he was already on page 28, having worked all through the night. By that evening, he had finished, and we had come up with a working version combining my structure and his dialogue." Ayckbourn — who has tactfully kept away from the actual filming — is frankly unsure as to how it will work. "The problem is that my

stiff is so theatrical. In the theater, one assumed that the audience knew "The Beggar's Opera." We were also able to click in and out of the characters' lives and the roles they are playing on stage in a way you can't do in a literal medium like film. "Inevitably, what happens in the cinema is that everything is more explicit. For instance, we now follow Guy and Hannah, the director's wife, around town. But I had to persuade Michael that it was a miserably unconsummated relationship, that it was about two people trying to get it together and

failing because of her inhibitions and the hostility of the terrain. One of the key points of the play is how important the act of love is for Hannah, who is completely unfulfilled, and how easy it is for her rival, Fay, for whom it is common currency, I hope that still comes across."

On the set in Scarborough, Winner exudes a jovial optimism. His technique is to work fast — he has been known to do 20 setups in a day where other directors do three or four.

He also always uses real locations. He arrived in Scarborough with a camera to take 600 shots of ordinary citizens' clothes and with a cassette recorder in which he would note his impressions of people's property.

His technique is to knock on people's doors, gain entry to their houses and audition their life styles.

Irons is delighted to be doing an Ayckbourn script. "My character of Guy is deliberately underwritten, which makes him fascinating to play. Alan doesn't load him with a basketful of jokes but shows him simply as a total innocent who becomes an unwitting agent of destruction. I give him a Yorkshire accent and an air of blank benevolence, but I wish I had had more time to get into the character. After two years in the theater with the RSC, I am hungry for cinema again."

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LONDON PARIS NEW YORK HONGKONG 1-4391755 1-4501785 212-5764040 5-266934/8

The 'Dressing Of Dreams'

By Cynthia Guttman

PARIS — They work like fairies: quickly, skillfully and almost imperceptibly to sew magnificent costumes that might only be seen once by the public. Yet not much more is ever heard about these couturiers who pride themselves in the "dressing of dreams."

Umberto Tirelli is one of the few stage couturiers who have brought their craft to public attention. When the Pitti Palace in Florence opened a costume museum in 1983, Tirelli donated a collection of 200 stage costumes and fashion outfits to it. The collection, currently at the Musée des Arts de la Mode — to which Tirelli has also donated 10 items — comprises opera, film and theater costumes manufactured by Tirelli's workshops in Rome for Italian and foreign costume designers, together with fashion wear from the 18th century to the 1960s.

The result is a singular cast of characters imaginatively installed on three levels of the museum to create the impression of a large film set. Medea, Anna Karenina, the Lady of the Camellias, Clytemnestra, King Ludwig, Tristan and Isolde, the Cardinal from "The Name of the Rose" and others stand in majestic silence. Alongside, there are production photographs of Montserrat Caballé, Teresa Stratas, Romy Schneider, Maria Callas and others as reminders of the stars who once brought the costumes to life.

Ludwig's coronation cape from Luciano Visconti's "La caduta degli dei" is a rich velvet burgundy trail embroidered with voluminous gold leaf motifs. Pasolini's Medea wears a coarsely savage black pleated muslin tunic weighted down with symbolic copper medallions, beads and other ornamentation.

The title, "Costumes de Ville, Costumes de Soirée" suggests an association between street and stage dress. It is an idea that has guided Tirelli since his debut in the 1950s, where he came in touch with Visconti's cinematic realism. Applied to costumes, this means a

rigorous attempt to recreate an era: Making a crinoline and a corset or finding the perfect proportion for a dress's trail become compulsory steps in a couturier's apprenticeship.

The hazy border between street and stage design is suggested by several dresses used for the stage: There is a chestnut-colored three-piece suit from the late 18th century embroidered with large floral motifs, worn by Tom Hulce in Milos Forman's "Amadeus." Claudia Cardinale had to go through several tight tries to fit into the narrow-waisted 1860 mauve taffeta costume in Visconti's "Il gattopardo" (The Leopard). The romantic straight dresses in light mousseline crêpe de chine, chiffon and tulle that characterize the turn of the century mirror the formal beauty and romantic sensibility of Visconti's "Morte a Venezia" (Death in Venice), for which 95 percent of the women's costumes were authentic dresses from the period.

Contrasting with this line of costumes, best represented in the exhibition by Piero Tosci's designs, are the exuberant baroque creations of Pier Luigi Pizzi, who has worked closely with Tirelli over the past 30 years. As a stage director, his costumes evolve with the directing, lighting and decor of his productions. He constantly plays with mixing materials so that his characters are molded like statues from mythology.

Huascar in Jean-Philippe Rameau's "Les Indes Galantes" wears a feather headdress, a brassy breastplate studded with stones and a deep red silk tunic. The Pharaoh in Rossini's "Most in Egitto" is equally majestic with a frontal mosaic of mirrors worn over a silk purple tunic and an elaborate helmet encrusted with Egyptian motifs. For two chorus parts in Rossini's "Bianca e Faliero," the silk of the dresses has been treated through numerous dyes to reach an iridescent effect that constantly changes with light. Through the alchemy of design and experiments with materials, metals and dyes, the extravagance and flamboyant theatricality of Pizzi's operatic vision is attained.

The constant experimentation is enriched by Tirelli's search for historic references — his 40-person atelier in Rome has over 10,000 items that often serve as study material for other costume designers. Since its founding 24 years ago, Tirelli's atelier has made costumes for 230 films and is currently working on productions of Milos Forman, Ettore Scola and Mauro Bolognini.

The first two floors of the exhibition show the flip side of Tirelli's trade. His lavish collection of period outfits comes from royal families, flea markets, antique dealers and private collections. Whether it is the advent of the crinoline, the Belle Epoque's ostentation, Paul Poiret's "siren" silhouette, the Oriental fever, the androgynous ideal, Chanel's "poor look" or Dior's corseted "new look," all the landmark transformations of the female silhouette are presented. Worth, Chanel, Lanvin, Schiaparelli and Vionnet are complemented by Italian couturiers such as Zecca, Ventura, Gallenga, Gandini and Lanocetti. The promenade across the ages wouldn't be complete without the 84 pairs of shoes and the 54 hats that look as if they came from old family photographs.

The meeting point between the city and the stage is in the fine execution at each step of the making, from the choice of materials to the finishing touches. "There is not one costume that is more difficult to do than another," said Tirelli. "The important element is to have fantasy and then, the right attentiveness in their making." Musée des Arts de la Mode, until Sept. 11.



Detail of a court robe of the House of Savoy, made in the 19th century.

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SEURAT (Georges Pierre) Le hour de forme, circa 1883. Peint. 30,5 X 24 cm. (12 X 9 1/2 inches).

Bronzes: Bourdelle, Dalou, Giacometti, Rodin.

Experts: MA, Pacini et de Louvaincourt, M. Marchoux, M. de Boyser, Mme Marie-Aline Prat.

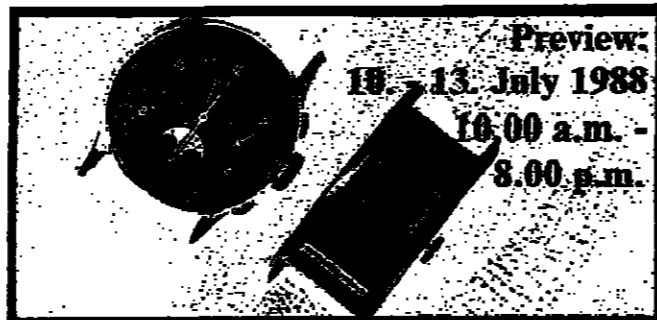
Public viewings: Hôtel George V, Tuesday, June 21, from 3 to 10 p.m. and Wednesday, June 22, from 10 a.m. to 12 (noon). On view only by appointment, 12 Rue Favart, 75002 Paris, until June 17. Please contact Thierry Picard. Tel: (1) 42 61 80 07 - Extension 428.

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Vol.	High	Low	Last	Chg.
Eastman	127.00	126.00	126.00	+0.25
GenCorp	125.00	124.00	124.00	+0.25
IBM	124.00	123.00	123.00	+0.25
Amgen	123.00	122.00	122.00	+0.25
Amgen	122.00	121.00	121.00	+0.25
Amgen	121.00	120.00	120.00	+0.25
Amgen	120.00	119.00	119.00	+0.25
Amgen	119.00	118.00	118.00	+0.25
Amgen	118.00	117.00	117.00	+0.25
Amgen	117.00	116.00	116.00	+0.25

Market Sales				
NYSE total volume	185,710,000			
NYSE adv. corp. close	11,400,000			
NYSE adv. prev. close	10,700,000			
NYSE adv. prev. close	10,700,000			
NYSE adv. prev. close	10,700,000			
NYSE adv. prev. close	10,700,000			
NYSE adv. prev. close	10,700,000			
NYSE adv. prev. close	10,700,000			
NYSE adv. prev. close	10,700,000			
NYSE adv. prev. close	10,700,000			

NYSE Index				
	High	Low	Close	Chg.
Composite	152.0	151.5	151.5	+0.5
Industrials	152.0	151.5	151.5	+0.5
Finance	152.0	151.5	151.5	+0.5
Transportation	152.0	151.5	151.5	+0.5
Utilities	152.0	151.5	151.5	+0.5
Government	152.0	151.5	151.5	+0.5
Foreign	152.0	151.5	151.5	+0.5
Commodity	152.0	151.5	151.5	+0.5
Energy	152.0	151.5	151.5	+0.5
Health	152.0	151.5	151.5	+0.5

Fridays
NYSE Closing
Via The Associated Press

AMEX Diary				
Class	Prev.	Chg.	High	Low
Advanced	100	+1	101	99
Declined	100	-1	99	98
Unchanged	100	0	100	100
Total Issues	100	0	100	100
Net Trans.	100	0	100	100

NASDAQ Index				
	Close	Chg.	Week	Year
Composite	100	+1	101	99
Industrials	100	+1	101	99
Finance	100	+1	101	99
Transportation	100	+1	101	99
Utilities	100	+1	101	99
Government	100	+1	101	99
Foreign	100	+1	101	99
Commodity	100	+1	101	99
Energy	100	+1	101	99
Health	100	+1	101	99

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Amgen	123.00	122.00	122.00	+0.25
Amgen	122.00	121.00	121.00	+0.25
Amgen	121.00	120.00	120.00	+0.25
Amgen	120.00	119.00	119.00	+0.25
Amgen	119.00	118.00	118.00	+0.25
Amgen	118.00	117.00	117.00	+0.25
Amgen	117.00	116.00	116.00	+0.25
Amgen	116.00	115.00	115.00	+0.25
Amgen	115.00	114.00	114.00	+0.25
Amgen	114.00	113.00	113.00	+0.25

Dow Jones Bond Averages				
Units	Close	Chg.	High	Low
Bonds	100	+1	101	99
Utilities	100	+1	101	99
Industrial	100	+1	101	99
Govt	100	+1	101	99
Corp	100	+1	101	99
Mort	100	+1	101	99
Cons	100	+1	101	99
Inv	100	+1	101	99
Int	100	+1	101	99
Ext	100	+1	101	99

NYSE Diary				
Class	Prev.	Chg.	High	Low
Advanced	100	+1	101	99
Declined	100	-1	99	98
Unchanged	100	0	100	100
Total Issues	100	0	100	100
Net Trans.	100	0	100	100

Odd-Lot Trading in N.Y.				
Buy	Sales	Surv	High	Low
June 9	25,500	57,100	1,000	30
June 8	25,500	57,100	1,000	30
June 7	25,500	57,100	1,000	30
June 6	25,500	57,100	1,000	30
June 5	25,500	57,100	1,000	30
June 4	25,500	57,100	1,000	30
June 3	25,500	57,100	1,000	30
June 2	25,500	57,100	1,000	30
June 1	25,500	57,100	1,000	30
May 31	25,500	57,100	1,000	30

Dow Jones Averages				
Open	High	Low	Last	Chg.
Index	200.0	199.0	199.0	+0.5
Trans	200.0	199.0	199.0	+0.5
Util	200.0	199.0	199.0	+0.5
Comp	200.0	199.0	199.0	+0.5
Govt	200.0	199.0	199.0	+0.5
Corp	200.0	199.0	199.0	+0.5
Mort	200.0	199.0	199.0	+0.5
Cons	200.0	199.0	199.0	+0.5
Inv	200.0	199.0	199.0	+0.5
Int	200.0	199.0	199.0	+0.5
Ext	200.0	199.0	199.0	+0.5

Standard & Poor's Index				
High	Low	Close	Chg.	Prev.
Industrials	100	100	+1	99
Utilities	100	100	+1	99
Finance	100	100	+1	99
Transportation	100	100	+1	99
Government	100	100	+1	99
Foreign	100	100	+1	99
Commodity	100	100	+1	99
Energy	100	100	+1	99
Health	100	100	+1	99
Technology	100	100	+1	99
Telecom	100	100	+1	99

NASDAQ Diary				
Class	Prev.	Chg.	High	Low
Advanced	100	+1	101	99
Declined	100	-1	99	98
Unchanged	100	0	100	100
Total Issues	100	0	100	100
Net Trans.	100	0	100	100

AMEX Stock Index				
High	Low	Close	Chg.	Prev.
Index	100	100	+1	99
Trans	100	100	+1	99
Util	100	100	+1	99
Comp	100	100	+1	99
Govt	100	100	+1	99
Corp	100	100	+1	99
Mort	100	100	+1	99
Cons	100	100	+1	99
Inv	100	100	+1	99
Int	100	100	+1	99
Ext	100	100	+1	99

NYSE Most Actives				
Vol.	High	Low	Last	Chg.
Eastman	127.00	126.00	126.00	+0.25
GenCorp	125.00	124.00	124.00	+0.25
IBM	124.00	123.00	123.00	+0.25
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Amgen	118.00	117.00	117.00	+0.25
Amgen	117.00	116.00	116.00	+0.25

NYSE Up in Moderate Trading

United Press International
NEW YORK — Prices on the New York Stock Exchange posted modest gains Friday after a sharp afternoon pullback tied to an easing in the bond market.

The Dow Jones industrial average rose 8.36 to close at 2,101.71. For the week, the index rose 30.41 points, or 1.5 percent.

The Dow was ahead more than 21 points before its sharp retreat in the final two hours of the session.

Advances topped declines about an 8-5 ratio. Volume slowed to 153.71 million shares from 235.16 million traded on Thursday.

"We are going to have a lot of trouble advancing at these levels," said Jon Groveman, head of equity trading at Ladenburg, Thalmann & Co. "The higher we go, the harder it will be to rally further."

Mr. Groveman said the market still faced "tremendous competition" for funds from the high yields in the bond market, and could be "running into a value problem relative to the competing rates in other investments."

"People will talk about resistance at certain levels, but there is a reason for that resistance," Mr. Groveman said. "Unless there is a new bull move in the bond market, the chances are pretty remote of a new bull move in stocks."

Broader market indexes also posted modest gains. The New York Stock Exchange composite index rose 0.53 to close at 152.89. Standard & Poor's 500-stock index gained 1.06 to 271.26. The price of an average share added 12 cents.

"People are always a little more nervous prior to a weekend, so that's why activity has slowed," said Gail Dudak, a market analyst with S.G. Warburg. "In addition, we have the trade figures due out next Tuesday. So you are going to have a quiet market ahead of those numbers."

She was referring to the April report on the U.S. merchandise trade deficit scheduled for release Tuesday morning.

"For the short-term, 2,110 should provide some resistance," the analyst said, alluding to the post-closing high of 2,110.08, set April 12.

"The market might even be in for a pullback of modest proportions or at least pause here."

Before the market opened, the Labor Department said the Producer Price Index rose 0.5 percent in May, following increases of 0.4 percent in April and 0.6 percent in March. The May increase was in line with market expectations.

Peoples Energy was the most active NYSE issue, up 1/4 to 194. Texaco followed, gaining 1/2 to 51 1/2.

Payless Cashways was third, up 1/4 to 25 1/2, and reports that senior management is considering a leveraged buyout.

Macmillan was up 2 1/4 to 75 1/4. A Delaware Chancery Court judge issued a temporary restraining order preventing Macmillan from issuing a special dividend as part of a restructuring plan. The order was requested by the Robert M. Bass Group, which has offered \$73 a share for Macmillan.

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Index	200.0	199.0	199.0	+0.5
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Comp	200.0	199.0	199.0	+0.5
Govt	200.0	199.0	199.0	+0.5
Corp	200.0	199.0	199.0	+0.5
Mort	200.0	199.0	199.0	+0.5
Cons	200.0	199.0	199.0	+0.5
Inv	200.0	199.0	199.0	+0.5
Int	200.0	199.0	199.0	+0.5
Ext	200.0	199.0	199.0	+0.5

Standard & Poor's Index				
High	Low	Close	Chg.	Prev.
Industrials	100	100	+1	99
Utilities	100	100	+1	99
Finance	100	100	+1	99
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Government	100	100	+1	99
Foreign	100	100	+1	99
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Telecom	100	100	+1	99

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Amgen	117.00	116.00	116.00	+0.25
Amgen	116.00	115.00	115.00	+0.25
Amgen	115.00	114.00	114.00	+0.25
Amgen	114.00	113.00	113.00	+0.25

NASDAQ Index				
	Close	Chg.	Week	Year
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Government	100	+1	101	99
Foreign	100	+1	101	99
Commodity	100	+1	101	99
Energy	100	+1	101	99
Health	100	+1	101	99
Technology	100	+1	101	99
Telecom	100	+1	101	99

AMEX Stock Index				
High	Low	Close	Chg.	Prev.
Index	100	100	+1	99
Trans	100	100	+1	99
Util	100	100	+1	99
Comp	100	100	+1	99
Govt	100	100	+1	99
Corp	100	100	+1	99
Mort	100	100	+1	99
Cons	100			

كندا، لوتو

ECONOMIC SCENE

As Thrifts Buckle in U.S., Repairs Fall to Taxpayers

By PETER PASSELL

NEW YORK — Will the Federal Home Loan Bank Board be able to raise enough cash to keep the savings and loan industry afloat? The liquidation this week of two small California thrift institutions, at a cost of \$1.35 billion, did not dampen the regulators' upbeat rhetoric. Bank board sources still argue that, with a little luck, the rest of closing or merging insolvent S&L associations can be kept to \$25 billion. But not everyone shares their guarded optimism. Dan Brumbaugh, a former deputy chief economist for the bank board and author of the new book "Thrifts Under Siege," calculates a final bill of about \$75 billion. That staggering sum does not imply that depositors in failed thrift institutions will be reimbursed: Congress has rejected to back insured accounts, whatever the cost. But Mr. Brumbaugh's plausible estimates prove reasonably accurate, most of the money will have to come from the taxpayers.

The clean-up cost is estimated by a former thrift board official at \$75 billion.

The thrift industry has spent trouble since the mid-1970s, when many institutions were trapped between fixed returns on mortgage loans and rising interest on deposits. But the proximate cause of the current crisis lies in a series of state and federal decisions in the early 1980s that gave S&L's broad discretion in choosing assets. The idea, seemingly reasonable at the time, was to allow hard-headed lenders to diversify their holdings and increase their profitability. This created irresistible incentives to gamble with liberally guaranteed funds. Typically, a thrift unit was purchased by a high-rolling investor, who then attracted millions, even billions, of dollars from deposit brokers.

These federally insured deposits were plowed into risky real estate ventures and junk bonds. When the real estate bubble burst for oil and grain prices collapsed, hundreds of S&L's were left with assets worth less than zero.

The cost to the deposit insurance fund might have been contained if the bank board had shut down the big losers in 1985 and 1986. But it had neither the technical expertise nor the ready cash to cope with an avalanche of failures.

SOME REGULATORS say the bank board can still cope with the situation if Congress expands the board's authority to borrow from Wall Street, using the current emergency insurance premiums as collateral. But healthy savings associations will fight bitterly against an indefinite extension of the emergency premium, which is \$2.08 a year for every \$1,000 of deposits — or double the rate that commercial banks pay. Mr. Brumbaugh argues, moreover, that the slow pace of losses dictated by limited access to private capital will mean riskier investments and added losses for the insurance fund. "Closing thrift institutions are so far behind that they have every incentive to keep trying for big killings."

In any event, Mr. Brumbaugh's arithmetic suggests that the clean-up cost will eventually overwhelm the bank board's capacity to borrow. Fully 510 thrift units with assets of \$145 billion, he estimates, are insolvent. If the average cost of closing or merging them reaches the board's experience last year, the bill for these 510 will hit \$50 billion.

And 515 other thrift institutions with assets of \$255 billion, he estimates, should also be counted among the walking dead. They aim a net worth between zero and 3 percent of assets. But when their assets are liquidated at true market value, he estimates, the insurance fund will have to kick in at least \$25 billion more. In Mr. Brumbaugh's view, the only organization with pockets deep enough to cover the tab is Congress.

Bonn Cuts Its Trade Surplus

Imports Offset Record Exports

By Ferdinand Protzman

FRANKFURT — West Germany's trade surplus fell sharply in March from a year earlier as rising imports offset record exports, the Federal Statistics Office reported Friday.

Economists said the improvement would not meet criticism last week at an economic summit meeting of West Germany's reluctance to stimulate domestic demand.

West Germany's merchandise trade surplus totaled 8.6 billion Deutsche marks (\$5 billion) in March, an increase from 8.2 billion DM in February but well below the 10.1 billion DM posted in March 1987, the statistics office said.

The surplus in the nation's current account, which measures trade in goods and services as well as certain financial transfers, contracted to 4.7 billion DM in March from 5.1 billion DM in February and 8.6 billion DM a year earlier.

Imports climbed sharply to 41.48 billion DM in March, a 23 percent gain from 33.72 billion DM in February and up 12 percent from 36.93 billion DM a year earlier.

But exports also surged, by 19 percent to a monthly record of 50.06 billion DM in March from 41.87 billion DM in February. The figure represented a 6 percent rise from 47.04 billion DM in March 1987.

"Record exports are not what the major trading partners wanted to see," said Liene Lambardt, an economist with Commerzbank AG in Frankfurt. "The exports are very, very high, particularly when one considers the significant progress Japan has made in lowering its exports."

The trade and current-account figures are preliminary and are not adjusted for seasonal factors or inflation. The 5.1 billion DM current-account surplus for February was revised downward from 5.2 billion DM, while the year-earlier figure of 8.6 billion DM was revised downward from 8.8 billion DM.



Continental's destination board in the airline's new facilities at Newark International Airport.

Storm Clears at Continental Airlines

Chaotic Melding of 6 Carriers Is Nearing Profitability

By Agis Salpukas

NEW YORK — For more than a year, Continental Airlines has been struggling to digest People Express, Frontier Airlines, New York Air and two major commuter airlines. The effort has produced labor problems, nightmares in scheduling and passenger service and heavy losses.

Yet while the flagship subsidiary of Texas Air Corp. still faces the challenge of regaining passenger confidence, the worst appears to be behind.

The complex task of integrating more than 300 jets, disparate maintenance operations, tens of thousands of workers and scores of routes is nearing completion. Continental has 352 jets and 36,000 employees.

Although Continental still ranks lowest among the 19 biggest U.S. airlines in on-time performance and highest in customer complaints, the complaints have dropped dramatically since last year. The opening last month of a gigantic new terminal at Newark International Airport in New Jersey should help the airline repair its battered image and may enable it to expand its already strong position in the Northeast.

The Federal Aviation Administration concluded last month after an investigation that the airline was operating safely.

With competitors following suit after Continental's substantial

Steep Food Costs Lead Rise in U.S. Producer Prices

WASHINGTON — U.S. wholesale prices, led by the steepest increase in food costs since January, rose a moderate 0.5 percent in May, the government reported Friday.

If the May increase held steady for 12 consecutive months, inflation at the wholesale level would be at an annual rate of 5.8 percent, nearly triple the modest 2 percent increase of the past 12 months, the Labor Department said.

Analysts said that the rise in May of producer prices, while moderate, suggested hefty inflation gains in months to come that will find their way to the American consumer.

"This number is not an inflation nightmare," said Joseph Liro, financial economist at S.G. Warburg Securities. "But it certainly points to a pick-up in inflation over the next year."

Inflation over the past three months has been pushing forward at a 6 percent annual rate, analysts noted. With large increases embedded in the Producer Price Index's crude and intermediate goods components, economists said further price gains would soon appear in both finished and consumer goods.

"These are more dangerous numbers, which will filter through eventually," said Joseph Flood, chief economist at McCarthy Crisanti Maffei Inc. "The question is when."

The May increase followed a 0.4 percent rise in the Producer Price Index in April and a 0.6 percent rise in March. Energy prices led the rises in March and April.

Increases in food prices accelerated in May by 0.9 percent after a 0.4 percent April increase. The rise in May was the biggest for food prices since a 1.7 percent increase in January.

Energy prices, which had surged 3.1 percent in April, rose only 0.2 percent in May, largely because of a 3.8 percent drop in natural gas prices.

Home heating oil rose a modest 0.7 percent, compared with increases of 5.2 percent in April and 2.6 percent in March. Gasoline prices jumped 3.8 percent last month, but were still only 1.5 percent higher than a year earlier.

Mexico Reports Only 1.9% Rise In Retail Prices

MEXICO CITY — Consumer prices, restrained by a new anti-inflation program, rose 1.9 percent in May in the smallest increase since November 1981, the government reported.

It was the fourth consecutive month that the inflation rate had eased.

The Bank of Mexico, the country's central bank, said Thursday that the improvement resulted from a pact under which many prices have been frozen since March.

President Miguel de la Madrid initiated the program after officials became concerned that inflation was on the verge of spiraling even higher.

A key component of the anti-inflation program is a freeze on the minimum wage and on prices of government-regulated goods and services.

Consumer prices skyrocketed a record 159.2 percent last year and in January soared 15.5 percent, a record one-month increase.

Currency Rates

Table with columns for currency, rate, and date. Includes entries for London, Tokyo, Zurich, and other international rates.

Interest Rates

Table with columns for instrument, rate, and date. Includes entries for Treasury bills, notes, and bonds.

U.S. Markets Mull Ways To Widen Block Trades

Selling a Portfolio in One Fell Swoop

By James Sternog

NEW YORK — In two steps that could significantly increase the amount of program trading in the stock market, the New York Stock Exchange and the Chicago Mercantile Exchange are considering ways to make it easier to trade large baskets of stocks.

The idea of block trading of stock-index futures was discussed this week by Leo Melamed, chairman of the Merc's executive committee, other Merc officials, and traders and executives from a number of Wall Street firms at meetings in New York, according to participants at the sessions. The strategic planning committee of the Merc board is expected to take up the issue in the coming months.

In particular, the proposal addresses the fact that certain trading programs have been difficult in the past because of the risk of trading to buy or sell large numbers of stock-index futures contracts.

Two reports on the stock collapse suggested that ways be found to make huge trades more efficient.

Under the Merc proposal, a new mechanism would be created under which traders at the Merc would buy and sell single stock-index futures contracts or small clusters of them, but blocks of perhaps 500 contracts or more.

The dollar value of a single contract is equal to 500 times the level of the index, and the investor must put down an initial margin, or deposit, of about 10 percent of that value to buy a contract. The block concept would thus be useful only for the large institutions that trade tens of millions of dollars of securities at a clip.

This has at times been difficult and expensive for the large institutional investors that occasionally trade such huge amounts. The change, which has many technical and regulatory hurdles to overcome before it is enacted, would make it far easier for large financial institutions to move huge sums in and out of the market and to engage in the form of program trading known as stock-index arbitrage.

Both the presidential task force that studied the October market collapse and the Securities and Exchange Commission's report on the crash noted that the markets are increasingly being dominated by these large institutions and encouraged the creation of mechanisms to make their trading more efficient.

BE A WINNER!

Play Lotto 6/49—Canada's Favorite Government Lottery. Pick your own "Lucky Numbers" when you play. Record prize of \$13,890,588.80—all CASH—TAX FREE!

NOW YOU CAN WIN BIG. For years Canadians have been striking it rich in Lotto 6/49—Canada's most popular lottery. In fact, last year Lotto 6/49 paid out over \$500 million dollars in prizes! Almost every week millionaires are being made by playing this fantastic game. The jackpots (1st prize) regularly surpass \$10,000,000 per draw and have gone as high as \$13,890,588.80. That record prize was won by Lillian and Stewart Kelly, pictured below, and still stands as one of the world's largest all-cash lottery prizes ever awarded.

Now, thanks to Canadian Overseas Marketing's unique subscription service, you too have the chance to win a multi-million dollar prize.

MULTI-MILLION DOLLAR PRIZES. Here are some examples of the fantastic jackpots being awarded by Lotto 6/49: Lillian and Stewart Kelly - \$13,890,588.80; Mohamed and Nurah Samji - \$11,066,864.20; Ron and Val Taylor - \$10,372,326.70; Jean Vau - \$10,191,804.60; Carrie and Derek Stockley - \$ 7,789,787.60; Doug and Loraine Clark - \$ 7,059,893.70.

And that's just for first prize...there are many \$Millions more paid out in subsidiary prizes. With five prize categories in all and thousands of prizes won in every draw, it's as if you can't miss!

GOVERNMENT GUARANTEED LOTTERY. Lotto 6/49 is an official lottery operated by the ten Provincial Governments of Canada. It's called Lotto 6/49 because six winning numbers from a total of forty-nine are selected each draw. If the six numbers chosen match the six numbers you are playing, you win the jackpot. In addition to the six regular winning numbers chosen, there's one additional number drawn called

the "bonus number". If you have any five of the six regular winning numbers correct plus the bonus number, you win second prize. Any five, four, or three of the regular winning numbers correct wins you third, fourth, or fifth prize respectively.

There's a new draw twice each week (on Wednesday and Saturday), every week of the year. The jackpot is guaranteed to be not less than \$1 Million dollars in each draw. And if the jackpot is not won in the current draw, that prize money is carried over and added to the jackpot for the next draw, growing until it's won!

YOU PICK YOUR OWN NUMBERS. Besides the enormous prizes to be won, the best thing about Lotto 6/49 is that you pick your own numbers. So, instead of just buying a ticket, you really do play this lottery. Many people feel they have certain personal lucky numbers or numbers that have a special significance to them, such as birthdays or anniversaries. Still others look for statistical patterns in the numbers selected. But whatever method you use, you'll find it much more exciting to play the lottery that lets you enter your own numbers.

IT'S EASY TO PLAY. All you do is complete the attached order form and send it to Canadian Overseas Marketing along with the necessary payment. We'll enter your subscription. You may select from 1 to 6 games for 10, 26, or 52 weeks. Indicate exactly six numbers between 1 and 49 for each game you wish to play. Each game gives you another chance at the grand prize for every draw in which you are entered.

You receive a "Confirmation of Entry" by return mail acknowledging your order and

indicating the numbers you have selected as well as the draws in which they are entered.

WHEN YOU WIN. You will be notified immediately when you win a prize of \$1,000.00 or more. Also, a complete list of all winning numbers will be sent to you after every tenth draw, along with a statement of your winnings to date. At the expiration of your subscription you will be sent a final statement of your winnings. All prize money will be converted to any currency you wish and confidentially forwarded to you anywhere in the world. So mail your order today—the next big winner could be you.

ORDER FORM. Complete one game board below for each game you wish to play. Select exactly six numbers from 1 to 49 on each game board you are playing. Indicate the number of draws you wish to play and send with the necessary payment to the address below.

FREE BONUS. Includes 2 DRAW PRIZES. Includes 4 DRAW PRIZES.

1 Game \$45 \$112 \$225. 2 Games \$90 \$225 \$450. 3 Games \$135 \$337 \$675. 4 Games \$180 \$450 \$900. 5 Games \$225 \$562 \$1125. 6 Games \$270 \$675 \$1350.

Make cheque or bank draft (in U.S. Funds) payable to Canadian Overseas Marketing and mail to: P.O. Box 48120, Suite 1703, 565 Burrard Street, Vancouver, B.C. Canada V7X 1S4.

NAME. ADDRESS/P.O. BOX. CITY. COUNTRY. PRIZES: 1ST PRIZE \$13,890,588.80. 2ND PRIZE \$4,461,600. 3RD PRIZE \$2,704,700. 4TH PRIZE \$139,300. 5TH PRIZE \$10,000. TOTAL PRIZES \$37,443,228.10.

WIN MILLIONS LIKE THE COUPLE PICTURED BELOW. When Lillian and Stewart Kelly, pictured above, won Canada's record Lotto jackpot of \$13,890,588.80 there were over 1 million winners in total, with over \$70,000,000.00 in prize money awarded. The prize breakdown shown here indicates the actual winnings for that draw.

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BUSINESS ROUNDUP

B&C to Sell Bricom Industrial Unit

LONDON — British & Commonwealth Holdings PLC, a diversified financial services group, said today that it was selling its Bricom subsidiary to Bricom's management for about £339 million (\$653 million).

Bricom's five operating divisions reported pretax profit of £32.2 million on revenue of £55.2 million in 1987, accounting for almost a quarter of B&C's profit. Net tangible assets at year-end were £209.6 million.

Bricom's profit jumped to £130.9 million in 1987, from £51.5 million in 1986, and sales more than doubled to £291.7 million.

U.K. Banks Expected to Return to Profit

LONDON — Britain's major banks, freed from last year's huge Third World debt provisions, are expected to post substantial profits for the first half of 1988.

The banks made the provisions to comply with policy of the Bank of England, which detailed what it considered to be an appropriate level of provisioning by banks against countries with repayment difficulties.

NEC Reports a 68% Leap In Group Net Profit for Year

TOKYO — NEC Corp., one of Japan's leading electronics companies, reported Friday that group net profit for its latest financial year was 25.36 billion yen (\$203 million), up 68.7 percent from 15.03 billion yen a year earlier.

Communication equipment sales were 757.79 billion yen, up from 699.89 billion a year earlier. Computers and other electronics equipment sales were 1.13 trillion yen, up from 1.01 trillion yen a year earlier.

CONTINENTAL: Now That the Worst Is Past, a Chaotic Welding of 6 Airlines Is Nearing Profitability

Continental officials now acknowledge that they had never anticipated the difficulty of consolidating airlines with different fleets, operating philosophies and histories.

Continental's severe problems in merging its operations with those of People Express, Frontier, New York Air and the commuter airlines resulted in one of the most remarkable turnarounds in the industry.

Continental's image went from being an up-and-coming airline to the bottom of the heap in just one year, Mr. Sylvester said. "That will affect them for years to come."

Continental's progress has come at a high price. For one thing, decisions by customers, particularly business travelers who typically fly full fare, forced the airline to replace the lost revenue

While the airline got off to a decent start, bad weather in February 1987 showed that Continental was nowhere near the point at which it could deal with unusual situations.

Pritzkers to Sell Braniff Stake

DALLAS — Dalfort Corp., a holding company for Chicago's Pritzker family, said Friday that it had agreed in principle to sell its approximately 64 percent interest in Braniff Inc. to an investor group formed by PaineWebber Group.

Thus, the cash portion of the transaction would exceed \$85 million based on about 12.4 million Braniff shares outstanding. Once the acquisition is completed, the investors would hold an 80 percent interest in the new company.

et Sales To East Bloc seem Near

PARIS — European and U.S. aerospace companies are likely to get approval within the next few weeks to sell new airliners to the East bloc, diplomatic sources said today.

Airbus Industrie, a European consortium, and Boeing Co. of Seattle have asked the Coordinating Committee for Multilateral Export Control to clear sales to East Germany, Poland and Romania.

All the signs are that they will get approval in the next few weeks, a Western diplomat said.

Macmillan To Stop Talks Denied by Zurich Halts Talks in Link With Bank Leu

ZURICH — BZ Bank Zurich G, a specialist in developing financial instruments, said Friday it was withdrawing from talks to set up a joint holding company with Bank Leu, Switzerland's fifth-largest bank.

Banking sources said the two banks had different styles and sizes and agreement on key points difficult. Leu, which had assets of 128 billion Swiss francs at the end of the first quarter, dwarfs BZ, which had 138 million francs in assets at year-end.

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Millac Halts Talks for '88

DETROIT — The Cadillac division of General Motors Corp. will end production of the slow-selling Elante luxury car on Monday for 1988 model year. It sells for \$6,500. Production will resume in August for the 1989 model year. About 70 workers are affected by the shutdown.

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FOR INVESTORS OF \$100,000 PLUS IN FUTURES. A scheme to change the future. We freely admit that running a signalling service is not unique. But we believe the accuracy of ours is. All brokers have access to the same information. The same computer programmes. But at the end, what counts is interpretation. So just how good is our interpretation? We are prepared to demonstrate. We will let you see a limited number of our signals, and we will invite you to keep score, on paper, of what would happen if you followed our advice. If what we offer wins your confidence, then we'll negotiate terms to suit you. You'll find we're realistic. And highly flexible. Because we recognise we will only keep your business by making sure you make more money out of it than the old way. We now need to remind you that investing in futures presents not only the opportunity to make money, but also to lose it. You should know that the value of your investment can go down as well as up, and that you can lose substantially more than you invested, so the wise rule of thumb remains that your investment in Commodity Futures should not exceed 20% of your total funds available for investment. Finally, a few words about you. And about us. About you: because the basis of this service is providing personal attention at the most senior level, we can only provide it for major investors. We expect you to have at least \$100,000 either invested or available to invest in the Futures market. And about us: Our two senior traders have a total of 35 years experience in the futures markets, including 20 years with a major transacting Brokers. We are, of course, a member of the Association of Futures Brokers and Dealers. We act as Introducing Brokers, so your funds are lodged with the major transacting brokers who will actually execute your transactions and with whom you will be contracted (so you are as fully protected as is possible). What we are adding is our own expertise. And a reward scheme that puts our money where our mouth is. Doesn't so fresh an idea deserve your consideration? To know more, ring us now. Or get your secretary to post (or fax) us your letterhead, with a note to contact you. Telephone: 01-283 6766. Fax: 01-621 0683. Telex: 8812123.

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CURRENCY MARKETS

Dollar Firms in Narrow N.Y. Trading

NEW YORK — The dollar ended Friday in New York after trading in a narrow range as dealers waited U.S. trade figures to be reported next week.

The U.S. currency had weakened earlier in Europe. The markets are unaffected by statistics showing that U.S. wholesale prices grew a moderate pace in May.

The dollar closed at 1.7205 Deutsche marks, up from 1.7143 at Monday's close. It rose to 124.850 yen from 124.625, to 1385 Swiss francs from 1380, and to 5.8100 French francs from 5.805.

The dollar also gained against the British pound, which closed at 8175, against \$1.8215 on Thursday.

Trading in Europe also was pretty uneventful.

The U.S. current rise in U.S. producer prices for May was in line with expectations, dealers in Europe said, leaving the market free to devote its undivided attention to S. trade figures for April to be issued Tuesday.

"All is in the hands of the figures," a bank dealer said. The market is expected to be a seasonally adjusted deficit of \$13 billion to \$14 billion, compared with a revised \$11.95 billion deficit in March.

The dollar closed in London at 1195 DM, down from 1.7227 DM Thursday's close, and at 124.90, a down from 125.25.

The pound ended firmer at 8175, against \$1.8137 Thursday, at 3.1253 DM, compared with 3.1213.

On its trade-weighted index basket of currencies, the dollar rose to 76.8 from 76.7.

Several European operators said the dollar was set to edge higher, whatever the U.S. trade figures turned out to be.

They noted that the dollar had

London Dollar Rates

Table with columns: Currency, Rate, Change. Includes Deutsche mark, Swiss franc, French franc, British pound.

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Italy Expects No Devaluation

MILAN — The prime minister, Ciriaco De Mita, and the finance minister, Giuliano Amato, said in published reports Friday that a devaluation of the lira within the European Monetary System would not be necessary to trim Italy's huge balance of payments deficit.

In interviews with the daily newspaper, La Repubblica, both officials said the government was considering fiscal measures to prevent the economy from overheating.

If May data confirm the trend of "worsome" April figures, Mr. Amato said, it will be necessary to cool internal demand, probably through indirect taxes. "Devaluation is not part of our program," Mr. De Mita said.

At the Venice summit conference a year ago, Mr. Reagan proposed eliminating all the subsidies by the turn of the century, but European opponents said a deadline rather than try to work things out in Toronto, the countries have decided merely to urge that it be tackled at a conference of all trading nations in Montreal in December.

"This is one of the foremost economic problems facing the world, so we will deal with it," a senior U.S. official said. He added that the Reagan administration's objective in Toronto was not progress but rather that "there be any backsliding" from commitments to deal with the issue in Montreal.

A French economic official said, "We will resist the American. We don't want to tackle the subsidies. We feel it is a global issue to be taken up in Montreal." A Canadian official who is involved in the planning for the meeting added, "The gap on agriculture has not narrowed."

Some decisions are likely in two

West Germany, France had hardened its position on the risk of tax evasion.

Although the problem has always been recognized and ministers had agreed that the matter had to be dealt with in due course, the French now are demanding a firm commitment that taxes on interest income be equalized within the EC before the proposals on freeing capital movement are fully implemented.

Some diplomats said the French might be accommodated by a separate joint declaration on the issue, but others questioned whether the other member states would give in to the new French government's hardened position.

The new French demand is likely to find support from Denmark, which has been demanding that banks in other EC countries disclose interest income to the tax authorities of their client's country of residence.

Currently, Denmark's only exchange control is the condition that residents wishing to put

Free Movement of Capital Facing New Snag at EC Meeting

BRUSSELS — Plans to free capital movement in the European Community, seemingly all but approved at a meeting of EC finance ministers last month, face new obstacles when the ministers meet again on Monday.

Failure would be a serious blow to West Germany, which has thrown its weight behind the proposals.

The free movement of money in the 12-member bloc is seen as a key element of the EC's plans to create a true internal market by 1992. A ministerial agreement was to be West Germany's major contribution to the plans during its six-month presidency, which ends this month.

Removing exchange controls would allow customers to open bank accounts in any EC country and pave the way for another proposal that would allow banks to operate in any member state on a single license. However, diplomats said that since the meeting last month in

West Germany, France had hardened its position on the risk of tax evasion.

Although the problem has always been recognized and ministers had agreed that the matter had to be dealt with in due course, the French now are demanding a firm commitment that taxes on interest income be equalized within the EC before the proposals on freeing capital movement are fully implemented.

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Currently, Denmark's only exchange control is the condition that residents wishing to put

money into a foreign bank account have to provide a guarantee from the bank that it will declare interest income paid to the Danish tax authorities.

West Germany, Britain and the Netherlands have scrapped all exchange controls, while Belgium and Luxembourg pledged to abolish their two-tier exchange market no later than 1992.

The four poorest member states — Portugal, Greece, Spain and Ireland — will be allowed an extended transition period yet to be fixed.

France is pressing for a period of two years within which it and Italy have to fully implement the proposals, notably because it wants to allow for enough time for reaching an accord on the tax equalization.

Some fresh controversy has arisen from the so-called safeguard clause, which would allow a member state to reintroduce exchange controls for six months.

Experts See Fed Holding Steady on Policy

NEW YORK — The Federal Reserve is maintaining a steady course on monetary policy and an anticipated rise in the federal funds rate over the next several days should not be viewed as a further tightening of monetary policy, economists say.

Adjusted borrowings by banks from the Fed averaged a fairly low \$395 million a day in the latest statement week, which ended Wednesday. As a result, the U.S. central bank is expected to encourage more borrowings in the second half of the maintenance period in order to meet its presumed targets.

"The Fed will have to generate borrowing," said Anthony Karydas of Mitsubishi Bank. "Funds will be rather tight."

The \$395 million in borrowings may be a bit lower than the Fed

and Thursday, as the central bank aims for what most economists think is a borrowing target of \$450 million to \$500 million. In addition, settlement on Wednesday happens to be a corporate tax date, when funds typically rise anyway.

"Borrowings will probably reach \$600 million a day in the second week," said John Williams of Bankers Trust. "That would be consistent with a Fed funds rate of 7.375 percent. The Fed seems happy with a range of 7.125 to 7.5 percent."

For the time being, economists see little chance that the Fed will tighten policy again. The bond market's inflation fears are dwindling, the dollar is not under substantial downward pressure and there are few signs that the economy surged in May in a way that would merit speedy restraint.

That leads economists to conclude that the last of the Fed's three recent tightening moves do indeed suggest an equilibrium funds rate of 7.375 percent.

But economists say that the funds rate is likely to rise next week, particularly on Wednesday

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SUMMIT: Harmony Is Expected at Economic Talks

(Continued from first finance page) continued. "And those are the free market economic policies espoused by Ronald Reagan at his first summit."

At the White House official added: "I don't think anybody is expecting breakthroughs. It will be a love fest."

At economic summit conferences, countries sometimes cannot live up to their promises because the chiefs of state cannot always persuade their legislators and businessmen to follow through. At the upcoming Toronto conference, the participants say they do not even plan to try to make promises that could lead to such difficulties.

They are setting aside for now their two-year-old argument over the subsidies they all give their agricultural industries.

All have agreed that the resulting growth in exports has produced a surplus because of worldwide overproduction, budgetary problems for countries that subsidize farming and strains on developing countries that rely on agriculture to keep their own economies growing and would be able to compete if Western subsidies were eliminated.

A French economic official said, "We will resist the American. We don't want to tackle the subsidies. We feel it is a global issue to be taken up in Montreal." A Canadian official who is involved in the planning for the meeting added, "The gap on agriculture has not narrowed."

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Japan Exports Expected to Rise in Dollar Terms

TOKYO — Japan's exports are expected to increase by 10 percent in dollar terms in the current fiscal year compared with the year ended March 31, a major financial institution predicted Friday.

One of the factors expected to push up dollar-term exports in 1988-89 is a rise in the export prices quoted in dollars by Japanese traders, Mitsubishi Trust & Banking Corp said in a report.

Japanese traders have raised dollar-denominated export prices to compensate for lower earnings from yen-quoted exports following the year's steep appreciation against the U.S. currency, the Mitsubishi report said.

Statistics released by Japan's Finance Ministry show that the nation's exports in fiscal rose 10.6 percent in 1987-88 to \$237.90 billion.

With respect to gold, none of the countries has shown any interest in restoring the gold-standard system that ran from 1944 to the early 1970s.

Because gold is considered a signal of inflation, the countries are expected to agree in Toronto to establish two lists of commodities. Both will include gold and one will exclude oil.

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Large table of stock market data including OTC prices, NASDAQ prices, and various stock listings with columns for stock names, prices, and changes.

SPORTS

كواليجي

West Germany, Italy tie in First Match

DUSSELDORF — West Germany and Italy opened the 1988 European Championship soccer tournament Friday night by drawing 1-1.

by their defense, which was prone to some extraordinary mistakes. Osem by Herget's miscued clearance pass would have resulted in another goal for Italy had Paolo Maldini not swept his shot into the side netting.



Matthias Herget of West Germany and Giuseppe Giannini of Italy each got a kick at an elusive ball.

For Aging Danes, a Last Shot Saturday at Revenge

LONDON — Early matches in major soccer tournaments tend to be slow by tactical caution. But the pulse of a European Championship is quicker than that of a World Cup because, with eight instead of 24 fixtures, there is neither time nor easy fish to fry.

with Holland's common policy of doing just enough until later stages, this match could indeed be a cloak-and-dagger affair.

England versus Ireland will be a virtual regular-season first-division match. Most of the Irish play for English clubs; most are Englishmen who, not having been asked to play for the country of their birth, adopted the green of Ireland on ancestral grounds.

Lead U.S. Golf

JARRISON, New York (UPI) — Howard Twitty and Loren Robt. playing together, each shot five-under-par 66 Thursday to tie for the lead in the Western Classic golf tournament.

One Danish team sought to make the players run: Denmark versus Spain in Hanover on Saturday afternoon. It is possibly the last chance the aging Danes will get to avenge the Spanish defeats that torpedoed their dreams at the 1984 European Championships and at the 1986 World Cup.

Perhaps the most stirring tale will come late in the Irish performance. Its attack relies on the poaching instincts of John Aldridge who, with Liverpool's Peter Beardsley and John Barnes serving him, netted 29 league goals this season.

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Notable

Pro golfer Roger Maltbie, asked if he needed to stop to make up a disappointing round: "The rest of the field."

Ben Johnson of Canada, the 100-meter sprinter, said Friday will not compete again until August because of the hamstring muscle injury he sustained May 13 in Tokyo.

Coloquio will draw considerable interest, not just for Round Gullit, the most exciting soccer player on earth, but for a match featuring two men capable of sophisticated and entertaining soccer.

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SCOREBOARD

Table with columns for Tennis, Baseball, and Basketball, listing various tournaments and results.

BASEBALL

Table titled 'Thursday's Major League Line Scores' showing game results for American League and National League.

BASEBALL ROUNDUP

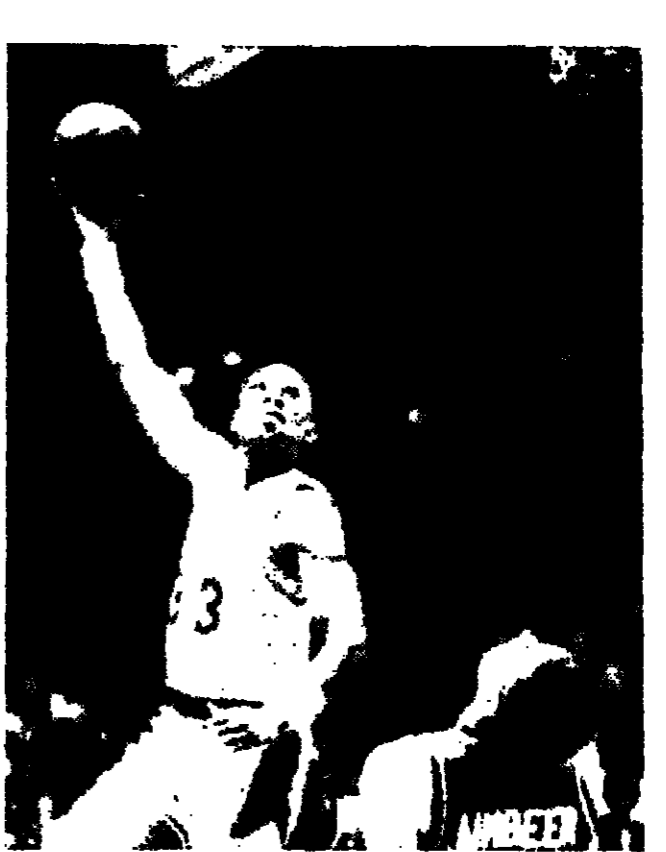
ARLINGTON, Texas — The Oakland Athletics, who for the first two months of the baseball season could do no wrong, could do no right Thursday night as they lost their fifth straight game to the Texas Rangers.

BASKETBALL

ARLINGTON, Texas — The Oakland Athletics, who for the first two months of the baseball season could do no wrong, could do no right Thursday night as they lost their fifth straight game to the Texas Rangers.

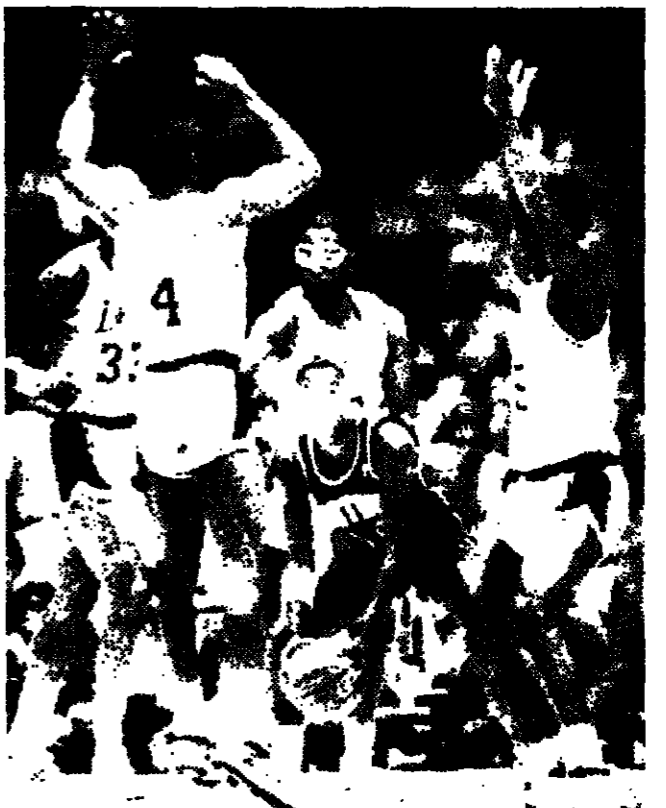
Lakers Find Time Right to Beat Pistons, Tie Title Series at 1-1

INGLEWOOD, California — The Los Angeles Lakers, who still have their backs against the wall, gained themselves some breathing room Thursday night with a 108-96 victory that gave them a 1-1 tie in



Kareem Abdul-Jabbar's skyhook, which later would lead to a controversial call, sailed over the Pistons' center, Bill Laimbeer.

with the Pistons 12 seconds later. Magic Johnson, who after a day fighting a losing battle with stomach flu got 23 points, 11 assists and 7 rebounds, broke the tie on the score line for a pass from Abdul-Jabbar, drew a foul from Joe Dumars and made two free throws that put the Lakers up, 99-92, with 1:33 left.



Isiah Thomas, at one point during the Pistons' 39-point first half, found himself almost lost amid a forest of towering Lakers.

Abdul-Jabbar, who a minute earlier had buried a buzzer-beating skyhook to make it 95-90, had put up another that appeared to miss the rim altogether. Worthy grabbed one of his five offensive rebounds but, a moment later, his pass into the backcourt was intercepted by Rodman, who had only seven floor passes on the game.

so far over the rim. It almost went out of the building. "We've got buzzard's luck," said center Bill Laimbeer, who playing despite a sprained foot, got 11 points and nine rebounds.

A's Beaten, 5-2, by Rangers for 5th Straight Loss

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